FEDERAL REGISTER

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Washington, Tuesday, December 14, 1948

TITLE 7—AGRICULTURE

Chapter I—Production and Marketing Administration (Standards, Inspections, Marketing Practices)

PART 162—REGULATIONS FOR THE ENFORCEMENT OF THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

SUPERSEDURE OF INTERPRETATIVE STATEMENT NO. 2

Pursuant to the authority vested in me under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U. S. C. 1946 ed. Sup. I, 135–135k) notice is hereby given that Interpretative Statement No. 2 entitled "Warning or Caution Statements For Agricultural Dusts and Sprays Containing 2,4-Dichlorophenoxyacetic Acid or Its Salts or Esters (2,4-D)" issued on February 24, 1948 (13 F. R. 1075) under said act has been superseded by Interpretative Statement No. 17 entitled "Interpretation With Respect to Labeling of Weed Killers Containing 2,4-D" issued on July 20, 1948 (13 F. R. 4230) under said act.

(61 Stat. 162; 7 U. S. C. Sup. 135–135k)

Done at Washington, D. C., this 2d day of December 1948.

[SEAL] PRESTON RICHARDS,
Acting Director, Livestock Branch, Production and Marketing Administration.

[F. R. Doc. 48-10335; Filed, Dec. 13, 1948; 8:47 a. m.]

Chapter VII—Production and Marketing Administration (Agricultural Adjustment)

PART 729—PEANUTS

MARKETING QUOTA REGULATIONS FOR THE 1949 CROP OF PEANUTS

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AUTHORITY: §§ 729.10 to 729.25 issued under 52 Stat. 38, 55 Stat. 88, 59 Stat. 9; 7 U. S. C. 1301, 1358, 1359, 1361–1368, 1373, and 1375.

GENERAL

§ 729.10 *Basis and purpose.* The regulations contained in §§ 729.10 to 729.25, inclusive, are issued pursuant to the Agricultural Adjustment Act of 1938, as amended, and govern the establishment of farm peanut acreage allotments in connection with farm marketing quotas for the crop produced in the calendar year 1949. The purpose of the regulations in §§ 729.10 to 729.25, inclusive, is to provide the procedure for allocating among farms the national acreage allotment for peanuts produced in the calendar year 1949 (13 F. R. 7326) The Secretary has proclaimed that in a referendum conducted on the 9th day of December 1947, 87.7 percent of the eligible voters were in favor of having quotas in effect for the peanut crops produced in the calendar years 1948, 1949, and 1950. Prior to preparing the regulations in §§ 729.10 to 729.25, inclusive, public notice (13 F. R. 6519) was given in accordance with the Administrative Procedure Act (60 Stat. 237). The data, views, and recommendations which were submitted have been duly considered within the limits prescribed by the Agricultural Adjustment Act of 1938.

§ 729.11 *Definitions.* As used in §§ 729.10 to 729.25, inclusive, and in all instructions, forms and documents in connection therewith, the words and

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CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

CODIFICATION GUIDE—Con.

phrases defined in this section shall have the meanings herein assigned to them unless the context or subject matter otherwise requires.

(a) *Committees.* (1) "Community committee" means the group of persons elected within a community to assist in the administration of the Agricultural Conservation Program in such community.

(2) "County committee" means the group of persons elected within a county to assist in the administration of the Agricultural Conservation Program in such county.

(3) "State committee" means the group of persons designated as the State Committee of the Production and Marketing Administration charged with the responsibility of administering Production and Marketing Administration programs within the State.

(b) *Farm.* "Farm" means all adjacent or nearby farm land under the same ownership which is operated by one person, including also:

(1) Any other adjacent or nearby farm land which the county committee, in accordance with instructions issued by the Assistant Administrator, determines is operated by the same person as part of the same unit with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other lands; and

(2) Any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops.

A farm shall be regarded as located in the county in which the principal dwelling is situated, or if there is no dwelling thereon it shall be regarded as located in the county in which the major portion of the farm is located.

(c) *Old farm* "Old farm" means:

(1) Any farm on which peanuts were produced in any year of the period 1946–1948, inclusive, or

(2) Any farm for which a 1942 peanut acreage allotment was established but on which peanuts were not produced in 1946 or 1947 because (i) the 1946 or 1947 owner was serving in the armed forces of the United States; (ii) if the farm was not operated in 1946, the 1945 farm operator was serving in the armed forces of the United States; or (iii) if the farm was not operated in 1947, the 1946 farm operator was serving in the armed forces of the United States.

(d) *New farm.* "New farm" means a farm on which peanuts will be produced in 1949 for the first time since 1945, excepting any farm for which a 1942 peanut acreage allotment was established but on which peanuts were not produced in 1946 or 1947 because (1) the 1946 or 1947 owner was serving in the armed forces of the United States; (2) if the farm was not operated in 1946, the 1945 farm operator was serving in the armed forces of the United States; or (3) if the farm was not operated in 1947, the 1946 farm operator was serving in the armed forces of the United States.

(e) *Cropland.* "Cropland" means that land on the farm which is included as cropland for the purposes of the 1948 Agricultural Conservation Program but shall not include woodland or wasteland from which no crop was harvested in any of the years 1944 through 1948.

(f) *Tillable acreage available for the production of peanuts.* "Tillable acreage available for the production of peanuts" means the acreage of tillable land on the farm which the county committee determines is available for the production of peanuts in 1949, taking into consideration land uses and other crops grown on the farm and customary rotation practices.

(g) *Peanuts.* "Peanuts" means all peanuts produced, excluding any peanuts not picked or threshed either before or after marketing from the farm.

(h) *Farm normal peanut acreage.* "Farm normal peanut acreage" means the normal peanut acreage determined for the farm pursuant to the provisions of § 729.18.

(i) *Operator.* "Operator" means the person who is in charge of the supervision and conduct of the farming operations on the entire farm.

(j) *Person.* "Person" means an individual, partnership, association, corporation, estate or trust, or other buesiness enterprise or other legal entity, and whenever applicable, a State, a political subdivision of a State, or any agency thereof.

(k) *Assistant Administrator.* "Assistant Administrator" means the Assistant Administrator for Production, or the Acting Assistant Administrator for Production, of the Production and Marketing Administration of the United States Department of Agriculture.

(l) *Director.* "Director" means the Director, or the Acting Director, of the Fats and Oils Branch of the Production and Marketing Administration of the United States Department of Agriculture.

§ 729.12 *Rule of fractions.* All peanut acreage allotments shall be rounded to the nearest one-tenth acre. Fractions of fifty-one thousandths of an acre or more shall be rounded upward, and fractions of five hundredths of an acre or less shall be dropped. For example, 1.051 would be 1.1 and 1.050 would be 1.0.

§ 729.13 *Instructions and forms.* The Director, with the approval of the Assistant Administrator, shall cause to be prepared and issued such instructions and forms as may be deemed necessary for carrying out §§ 729.10 to 729.25.

§ 729.14 *Approval of determinations.* The State committee or its authorized representative shall review farm allotments and normal yields and the State committee may correct or require the correction of any determination made pursuant to §§ 729.11 to 729.25, inclusive. All farm allotments shall be approved by the State committee or its authorized representative and official notice of allotment shall not be given to any person until the allotment has been so approved.

ACREAGE ALLOTMENTS AND NORMAL YIELDS FOR OLD FARMS

§ 729.15 *Apportionment of State allotment to counties.* The State committee shall determine county shares of the State peanut acreage allotment by distributing such State allotment among the counties in which peanuts are grown on the basis of the average peanut acreage in the county in the three years 1946–48, adjusted for trends in acreage and abnormal conditions of production. The State committee shall estimate the peanut acreage for any county for any of the three years for which complete data are not available.

§ 729.16 *Determination and review of data.* The county committee shall obtain the following information for each old farm:

(a) The name and address of the 1948 operator.

(b) The total acreage of all land in the farm.

(c) The acreage of cropland in the farm.

(d) The acreage of peanuts on the farm in each year 1946, 1947, and 1948.

(e) Such other data as the county committee determines is needed to reflect the tillable acreage available for the production of peanuts on the farm.

The above data shall be obtained from acreage measurements and other records in the office of the county committee, or from reports from farm operators or other interested persons; if not available from these sources, farm data may be appraised by the county committee on the basis of production and sales records or other available information. County committeemen, with the assistance of community committeemen, shall review the data for each old farm and, on the basis of personal knowledge of the farm, records of the office of the county committee, production and sales records, and other available information, make corrections in the farm data as required.

§ 729.17 *Basis of allotment.* Farm allotments shall be determined for farms on which peanuts were produced in one or more of the years 1946, 1947, or 1948, on the basis of the tillable acreage available for the production of peanuts and the past acreage of peanuts for the farm, as such factors are reflected in the normal acreage of peanuts for the farm, determined as provided in § 729.18.

§ 729.18 *Determination of farm normal acreages*—(a) *Usual acreages.* For each farm on which the acreage of peanuts in one of the years 1946–1948, inclusive, is determined to be unusually high, or is determined to be unusually low, the county committee shall determine a usual peanut acreage for the one year, taking into consideration the acreage of peanuts customarily grown on the farm, the tillable acreage available for the production of peanuts, and the acreage of peanuts produced on farms which are similar with respect to peanut production: *Provided*, That (1) where the farm peanut acreage for one year is determined to be unusually high, the usual acreage shall be not less than the larger of (i) one-third of the farm acreage for the year determined to be unusually high, or (ii) the average of the peanut acreages for the farm for the other two years of the three-year period 1946–1948, or (2) where the farm peanut acreage for one year is determined to be unusually low, the usual acreage shall be not more than the average of the peanut acreages for the farm for the other two years of the three-year period 1946–1948.

For farms for which a 1942 peanut acreage allotment was established, but on which the 1946 or 1947 peanut acreage was unusually low, or no peanuts were grown, because (i) the 1946 or 1947

owner was serving in the armed forces of the United States, (ii) if the farm was not operated in 1946, the 1945 operator was serving in the armed forces of the United States, or (iii) if the farm was not operated in 1947, the 1946 operator was serving in the armed forces of the United States, the county committee shall determine a usual peanut acreage for each such year, taking into consideration the acreage of peanuts customarily grown on the farm, the tillable acreage available for the production of peanuts, and the acreage of peanuts produced on farms which are similar with respect to peanut production.

(b) *Adjusted average acreages.* The county committee shall cause to be calculated an adjusted average acreage of peanuts for each farm. Such adjusted average acreage shall be the usual acreage(s) determined for the farm plus the acreage(s) for the other year(s) of the three-year period 1946–1948, divided by three.

(c) *Normal acreages.* The county committee shall determine a farm normal peanut acreage for each old farm in the county. The farm normal peanut acreage shall be the adjusted average acreage for the farm determined pursuant to paragraph (b) of this section, subject to such further adjustment as the county committee, with the assistance of the community committee, determines is necessary to obtain a normal acreage of peanuts for the farm which is fair and equitable in relation to other old farms in the county which are similar with respect to factors affecting the production of peanuts. These adjustments shall be based on the tillable acreage available for the production of peanuts on the farm, the indicated trend in the farm peanut production, and the equipment and suitable labor available for the production of peanuts, and shall be subject to the following limitations:

(1) The farm normal peanut acreage shall not be more than twice the adjusted average acreage for the farm.

(2) The farm normal peanut acreage shall not be less than the smaller of (i) 50 percent of the adjusted average acreage for the farm; or (ii) the tillable acreage available for the production of peanuts for the farm.

(3) The sum of the upward adjustments made in determining the farm normal peanut acreages for all farms in the county shall not exceed the sum of the downward adjustments for all farms in the county.

§ 729.19 *County reserve for corrections.* The county committee shall determine the acreage needed to be set aside as a reserve for the correction of errors in farm allotments resulting from inaccurate data, or the omission of data required under the provisions of § 729.16. The county committee shall estimate the percentage of the total acreage of peanuts grown in the county during the three-year period 1946–48 that was grown on land not included in farms for which allotments will not be established under § 729.21 either because the peanut acreages on such farms in each of the years 1946–48, inclusive were one acre or less, or the land has been removed from agricultural production, and the acreage recommended to be set aside shall include the acreage obtained by multiplying the county share of the State allotment by such percentage. The county reserve for corrections recommended by the county committee shall be subject to adjustment by the State Committee or its authorized representative.

§ 729.20 *County acreage factor.* A county acreage factor shall be determined for each county by dividing the county share of the State allotment less the acreage set aside as a reserve pursuant to § 729.19 by the sum of the farm normal peanut acreages for all old farms in the county.

§ 729.21 *Allotments for old farms.* The allotment for each old farm shall be the result obtained by multiplying the farm normal peanut acreage by the county acreage factor determined pursuant to § 729.20. The sum of all allotments established for old farms in the county shall not exceed the county share of the State allotment established pursuant to § 729.15.

§ 729.22 *Allotments for farms subdivided or combined.*—(a) *Subdivisions:* If land operated as a single farm in 1948 will be operated in 1949 as two or more farms, the 1949 allotment determined, or which otherwise would have been determined, for the entire farm shall be apportioned among the subdivided farms in the same proportion as the tillable acreage available for the production of peanuts in each such subdivided farm bears to the tillable acreage available for the production of peanuts on the entire farm, except that if the farm to be subdivided for 1949 resulted from a combination of two or more separate and distinct farms prior to a combination in 1946, 1947, or 1948, the allotment may be divided among such farms in the same proportion that each contributed to the 1946–1948 average peanut acreage: *Provided, That:*

(1) With the recommendation of the county committee and the approval of the State committee, the allotment determined for a subdivided farm pursuant to the preceding provisions of this paragraph may be increased or decreased by not more than the larger of one acre or ten percent of the 1949 peanut acreage allotment determined for the entire farm, with corresponding increases or decreases made in the allotment apportioned to the other subdivided farm or farms.

(2) If the farm is to be subdivided for 1949 in settling an estate, the allotment may be divided among the subdivided farms on such basis as the State committee may prescribe.

(b) *Combinations.* If two or more farms operated separately in 1948 are combined and operated as a single farm for 1949, the 1949 allotment shall be the sum of the 1949 allotments determined, or which otherwise would have been determined, for each of the farms composing the combination.

§ 729.23 *Normal yields for old farms.* The normal yield for any old farm shall be that yield per acre which the county committee, with the assistance of the community committee, determines is normal for the farm, taking into consideration the yields obtained on the farm during the three-year period 1946–1948, the soil and other physical factors affecting the production of peanuts on the farm, and yields obtained on other farms in the locality which are similar with respect to these factors.

ACREAGE ALLOTMENTS AND NORMAL YIELDS FOR NEW FARMS

§ 729.24 *Allotments for new farms.*—(a) *Basis of allotments.* The acreage allotment for a new farm shall be that acreage which the county committee, subject to the approval of the State committee, determines is fair and reasonable for the farm, taking into consideration the past experience of the farm operator in growing peanuts, the tillable acreage available for the production of peanuts, equipment and suitable labor available for the production of peanuts, the soil and other physical factors affecting the production of peanuts, and allotments established for old farms in the locality which are similar with respect to the factors affecting the production of peanuts.

(b) *Conditions of eligibility.* Notwithstanding any other provisions of this section, an allotment shall not be established for any new farm unless each of the following conditions is met:

(1) An application for a new farm allotment is filed with the county committee prior to February 1, 1949.

(2) The farm operator has had experience in growing peanuts, either as a sharecropper, tenant, or farm operator, during two years of the five-year period 1944–48: *Provided, however,* That a farm operator who was in the armed forces of the United States during any part of such five-year period shall be deemed to have met the requirements of this subparagraph, if he has had such experience in growing peanuts during one year within either the five years immediately prior to his entry into the armed forces or since his discharge therefrom.

(3) The farm operator is largely dependent on the farm for his livelihood.

(4) The farm is the only farm owned or operated by the farm operator for which a peanut allotment is established for 1949.

(c) *Adjustment to national reserve.* One percent of the national peanut acreage allotment shall be available for establishing allotments for new farms. The farm acreage allotments established as heretofore provided for in this section shall be subject to such downward adjustment as is necessary to bring the allotments in line with the acreage available for new farm allotments.

§ 729.25 *Normal yields for new farms.* The normal yield for any new farm shall be that yield per acre which the county committee, with the assistance of the community committee, determines is normal for the farm, as compared with other farms in the locality which are similar with respect to soil and other physical factors affecting the production of peanuts.

Done at Washington, D. C., this 9th day of December 1948. Witness my hand and the seal of the Department of Agriculture.

[SEAL] CHARLES F. BRANNAN, *Secretary.*

[F. R. Doc. 48-10369; Filed, Dec. 13, 1948; 8:53 a. m.]

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders)

PART 913—MILK IN GREATER KANSAS CITY MARKETING AREA

ORDER, AMENDING ORDER, AS AMENDED, REGULATING HANDLING

§ 913.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations made in connection with the issuance of this order and of each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to Public Act No. 10, 73d Congress (May 12, 1933) as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act") and the rules of practice and procedure governing the formulation of marketing agreements and orders (7 CFR, Supps., 900.1 et seq.) a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Greater Kansas City marketing area; and a decision was made with respect to amendments by the Secretary on August 17, 1948. Upon the basis of the evidence introduced at such hearing and the record thereof it is found that:

(1) The said order, as amended and as hereby further amended, and all of the terms and conditions of said order, as amended and as hereby further amended, will tend to effectuate the declared policy of the act;

(2) The said order, as amended and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which hearings have been held; and

(3) The prices calculated to give milk produced for sale in said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8e of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for such milk, and the minimum prices specified in the order, as amended and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

(b) *Additional findings.* It is necessary, in the public interest, to make this amendment effective not later than January 1, 1949. Any delay beyond January 1, 1949, in the effective date of this amendment will seriously threaten the orderly marketing of milk in the Greater Kansas City marketing area for January and succeeding months. The nature and provisions of the amendment are well known to the handlers in the market since the hearing was held on June 2, 1948, the recommended decision was filed on July 9, 1948 (13 F. R. 4016), and the final decision was executed by the Secretary on August 17, 1948 (13 F. R. 4835), which final decision sets forth the need for the amendment. Compliance with the amendatory order will not require any preparation on the part of handlers which cannot be completed by January 1, 1949. It is hereby found and determined, in view of these facts and circumstances, that good cause exists for making this amendment effective January 1, 1949; and that it would be contrary to the public interest to delay the effective date of this amendment to a date later than January 1, 1949.

(c) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the milk covered by this order, as amended and as hereby further amended) of more than 50 percent of the volume of milk covered by this order, as amended and as hereby further amended, which is marketed within the Greater Kansas City marketing area refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area; and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order, further amending the order, as amended, is the only practical means, pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the said marketing area; and

(3) The issuance of this order, further amending the order, as amended, is approved or favored by at least two-thirds of the producers who, during the determined representative period (May 1948) were engaged in the production of milk for sale in the said marketing area.

Order relative to handling. It is therefore ordered that on and after the effective date hereof, the handling of milk in the Greater Kansas City marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended and as hereby further amended; and the aforesaid order, as amended, is hereby further amended as follows:

Delete § 913.5 (a) (1) and (2) and substitute therefor the following:

(1) *Class I Milk.* The price per hundredweight of Class I milk shall be the price determined pursuant to paragraph (b) of this section plus $1.00 during the months of March through August of each year and plus $1.45 during all other months of each year.

(2) *Class II Milk.* The price per hundredweight of Class II milk shall be the price determined pursuant to paragraph (b) of this section plus 75 cents during the months of March through August of each year and plus $1.20 during all other months of each year.

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq., sec. 102 Reorg. Plan 1 of 1947; 12 F. R. 4534)

Issued at Washington, D. C. this 9th day of December 1948, to be effective on and after the 1st day of January 1949.

[SEAL] CHARLES F. BRANNAN, *Secretary of Agriculture.*

[F. R. Doc. 48-10364; Filed, Dec. 13, 1948; 8:52 a. m.]

PART 968—MILK IN WICHITA, KANSAS, MARKETING AREA

ORDER, AMENDING ORDER, AS AMENDED, REGULATING HANDLING

§ 968.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations made in connection with the issuance of this order and of each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to Public Act No. 10, 73rd Congress (May 12, 1933) as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act"), and the rules of practice and procedure governing the formulation of marketing agreements and orders (7 CFR, Supps., 900.1 et seq.) a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Wichita, Kansas, marketing area; and a decision was made with respect to amendments by the Secretary on August 17, 1948. Upon the basis of the evidence introduced at such hearing and the record thereof it is found that:

(1) The said order, as amended and as hereby further amended, and all of the terms and conditions of said order, as amended and as hereby further amended, will tend to effectuate the declared policy of the act; and

(2) The said order, as amended and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which hearings have been held; and

(3) The prices calculated to give milk produced for sale in said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8e of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for such milk, and the minimum prices specified in the order, as amended and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

(b) *Additional findings.* It is necessary, in the public interest, to make this amendment effective not later than January 1, 1949. Any delay beyond January 1, 1949 in the effective date of this amendment will seriously threaten the orderly marketing of milk in the Wichita, Kansas, marketing area for January and succeeding months. The nature and provisions of the amendment are well known to the handlers in the market since the hearing was held on June 7, 1948, the recommended decision was filed on July 14, 1948 (13 F R. 4130), and the final decision was executed by the Secretary on August 17, 1948 (13 F. R. 4836) which final decision sets forth the need for the amendment. Compliance with the amendatory order will not require any preparation on the part of handlers which cannot be completed by January 1, 1949. It is hereby found and determined, in view of these facts and circumstances, that good cause exists for making this amendment effective January 1, 1949; and that it would be contrary to the public interest to delay the effective date of this amendment to a date later than January 1, 1949.

(c) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the milk covered by this order, as amended and as hereby further amended) of more than 50 percent of the volume of milk covered by this order, as amended and as hereby further amended, which is marketed within the Wichita, Kansas, marketing area refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area; and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order, further amending the order, as amended, is the only practical means, pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the said marketing area, and

(3) The issuance of this order, further amending the order, as amended, is approved or favored by at least two-thirds of the producers who, during the determined representative period (May 1948) were engaged in the production of milk for sale in the said marketing area.

Order relative to handling. It is therefore ordered that on and after the effective date hereof, the handling of milk in the Wichita, Kansas, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended; and the aforesaid order, as amended, is hereby further amended as follows:

Delete § 968.4 (a) (1) and (2) and substitute therefor the following:

(1) *Class I Milk.* The price per hundredweight shall be the price determined pursuant to paragraph (b) of this section plus $1.00 during the months of April, May, and June of each year and plus $1.45 during the remaining months of each year.

(2) *Class II Milk.* The price per hundredweight shall be the price determined pursuant to paragraph (b) of this section plus 75 cents during the months of April, May, and June of each year and plus $1.20 during the remaining months of each year.

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq., sec. 102 Reorg. Plan 1 of 1947; 12 F R. 4534)

Issued at Washington D. C., this 9th day of December 1948, to be effective on and after the 1st day of January 1949.

[SEAL] CHARLES F BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 48-10866; Filed, Dec. 13, 1948; 8:52 a. m.]

PART 980—MILK IN TOPEKA, KANSAS, MARKETING AREA

ORDER, AMENDING ORDER, REGULATING HANDLING

§ 980.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations made in connection with the issuance of this order and all of said previous findings and determinations are hereby ratified and affirmed except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to Public Act No. 10, 73d Congress (May 12, 1933) as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act") and the rules of practice and procedure governing the formulation of marketing agreements and orders (7 CFR, Supps., 900.1 et seq.) a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Topeka, Kansas, marketing area; and a decision was made with respect to amendments by the Secretary on August 17, 1948. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended and all of the terms and conditions of said order as hereby amended will tend to effectuate the declared policy of the act;

(2) The said order as hereby amended regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which hearings have been held; and

(3) The prices calculated to give milk produced for sale in said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8e of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for such milk and the minimum prices specified in the order as hereby amended are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

(b) *Additional findings.* It is necessary, in the public interest to make this amendment effective not later than January 1, 1949. Any delay beyond January 1, 1949, in the effective date of this amendment will seriously threaten the orderly marketing of milk in the Topeka, Kans., marketing area for January and succeeding months. The nature and provisions of the amendment are well known to the handlers in the market since the hearing was held on June 4, 1948, the recommended decision was filed on July 22, 1948 (13 F R. 4326) and the final decision was executed by the Secretary on August 17, 1948 (13 F R. 4837), which final decision sets forth the need for the amendment. Compliance with the amendatory order will not require any preparation on the part of handlers, which cannot be completed by January 1, 1949. It is hereby found and determined, in view of these facts and circumstances, that good cause exists for making this amendment effective January 1, 1949; and that it would be contrary to the public interest to delay the effective date of this amendment to a date later than January 1, 1949.

(c) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the milk covered by this order as hereby amended) of more than 50 percent of the volume of milk covered by this order as hereby amended which is marketed within the Topeka, Kans., marketing area refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area; and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order amending the order is the only practical means, pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the said marketing area; and

(3) The issuance of this order amending the order is approved or favored by at least two-thirds of the producers who, during the determined representative period (May 1948), were engaged in the

production of milk for sale in said marketing area.

Order relative to handling. It is therefore ordered that on and after the effective date hereof, the handling of milk in the Topeka, Kansas, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order as hereby amended; and the aforesaid order is hereby amended as follows:

Delete § 980.5 (a) (1) and (2) and substitute therefor the following:

(1) *Class I milk.* The price per hundredweight of Class I milk shall be the price determined pursuant to paragraph (b) of this section plus 85 cents during the months of March through August of each year and plus $1.30 during all other months of each year.

(2) *Class II milk.* The price per hundredweight of Class II milk shall be the price determined pursuant to paragraph (b) of this section plus 60 cents during the months of March through August of each year and plus $1.05 during all other months of each year.

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq., sec. 102 Reorg. Plan 1 of 1947; 12 F. R. 4534)

Issued at Washington, D. C., this 9th day of December 1948, to be effective on and after the 1st day of January 1949.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 48-10867; Filed, Dec. 13, 1948; 8:52 a. m.]

Chapter XXI—Organization, Functions, and Procedure

Subchapter B—Staff and Service Officers

PART 2201—BUREAU OF AGRICULTURAL ECONOMICS

DISCONTINUANCE OF CODIFICATION

The codification of Part 2201 is hereby discontinued. Future amendments to descriptions of organization and functions will appear in the Notices section of the FEDERAL REGISTER.

[SEAL] O. V. WELLS,
Chief,
Bureau of Agricultural Economics.

[F. R. Doc. 48-10837; Filed, Dec. 13, 1948; 8:48 a. m.]

PART 2203—OFFICE OF FOREIGN AGRICULTURAL RELATIONS

DISCONTINUANCE OF CODIFICATION

The codification of Part 2203 is hereby discontinued. Future amendments to descriptions of organization and functions will appear in the Notices section of the FEDERAL REGISTER.

[SEAL] FRED J. ROSSITER,
Acting Director Office of Foreign Agricultural Relations.

[F. R. Doc. 48-10834; Filed, Dec. 13, 1948; 8:47 a. m.]

TITLE 12—BANKS AND BANKING

Chapter II—Federal Reserve System

Subchapter A—Board of Governors of the Federal Reserve System

[Reg. W]

PART 222—CONSUMER INSTALLMENT CREDIT

AMENDMENT TO INTERPRETATIONS

1. The first sentence of the fourth paragraph under the subheading "*Listed articles*" in § 222.102, entitled "*Summary of interpretations of former Part 222 which are applicable under present Part 222*" (13 F. R. 5638, 5640), is amended to read as follows: "The classification 'refrigerators, mechanical' does not include cabinets to hold or display ice cream or other products for sale; nor coin-operated machines for dispensing beverages; nor water coolers; nor milk coolers not designed for household use."

2. The first two sentences of the eighth paragraph under the subheading "Listed articles" in § 222.102, entitled "*Summary of interpretations of former Part 222 which are applicable under present Part 222*" (13 F. R. 5638, 5640), is amended to read as follows: "The classification 'Furniture' does not include an ice refrigerator of 12 cubic feet or more rated capacity. The classification 'Furniture' includes mirrors, unpainted furniture, kitchen or breakfast room sets, swings, and prefabricated decorative fireplaces not suitable for heating purposes."

(Sec. 5 (b), 40 Stat. 415, as amended by sec. 5, 40 Stat. 966, sec. 2, 48 Stat. 1, sec. 1, 54 Stat. 179; secs. 301 and 302, 55 Stat. 839, 840, Pub. Law 905, 80th Cong., 12 U. S. C. 95 (a) and Supp., 50 U. S. C. App. 616, 617; E. O. 8843, Aug. 9, 1941, 3 CFR, Cum. Supp.)

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,
[SEAL] S. R. CARPENTER,
Secretary.

[F. R. Doc. 48-10828; Filed, Dec. 13, 1948; 8:46 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

[Regs., Serial No. OR-10]

PART 301—ORGANIZATION, DELEGATIONS OF AUTHORITY, AND PUBLIC INFORMATION

PUBLIC INFORMATION; PUBLIC RECORDS

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 7th day of December 1948.

Section 301.3 (c) of the Organizational Regulations does not provide that comments on proposed amendments of the Economic, Organizational or Civil Air Regulations submitted to the Board by the public in response to invitations therefor contained in notices of proposed rule making are available for inspection. Nevertheless, it has been the practice of the Board in the past to make these comments available to interested persons upon request unless there were special reasons for holding such comments confidential.

The purpose of this amendment is to formalize this practice by adding such comments to the present list of documents and records which are available for public inspection pursuant to § 301.3 of the Organizational Regulations.

Since this amendment provides a rule of agency organization, procedure and practice, notice and public procedure hereon are unnecessary and the amendment may be made effective without prior notice.

In consideration of the foregoing, the Civil Aeronautics Board hereby amends § 301.3 (c) of the Organizational Regulations (14 CFR 301.3 (c)) by adding thereto subparagraph (6), effective immediately, reading as follows:

§ 301.3 *Public information.* * * *

(c) *Public records.* * * *

(6) Communications containing comments on proposed rules, which are received by the Board in response to notices of proposed rule making; *Provided,* That any such communications made available for public inspection shall be made available only after the period set for the receipt of comments has expired.

(Sec. 205 (a), 52 Stat. 984; 49 U. S. C. 425)

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 48-10839; Filed, Dec. 13, 1948; 8:51 a. m.]

Chapter II—Civil Aeronautics Administration

[Amdt. 4]

PART 550—FEDERAL AID TO PUBLIC AGENCIES FOR DEVELOPMENT OF PUBLIC AIRPORTS

MISCELLANEOUS AMENDMENTS

Acting pursuant to the authority vested in me by the Federal Airport Act (60 Stat. 170; Pub. Law 377, 79th Cong.) I hereby amend Part 550 of the regulations of the Administrator of Civil Aeronautics as follows:

1. Section 550.1 (g) of this part is amended by substituting "Puerto Rico, and the Virgin Islands" for "and Puerto Rico."

2. Section 550.2 (a) of this part is amended by adding "in the Virgin Islands" after "in Puerto Rico."

3. Section 550.4 (c) (1) of this part is amended by adding "and the Virgin Islands" after "Alaska" wherever the latter term appears therein.

4. Section 550.6 (c) of this part is amended by deleting from the fourth sentence the words "together with a certified copy of the resolution or ordinance authorizing such agency."

This amendment shall become effective upon publication in the FEDERAL REGISTER.

(60 Stat. 170, 49 U. S. C. 1101 et seq.)

[SEAL] D. W. REITZEL,
Administrator of Civil Aeronautics.

[F. R. Doc. 48-10840; Filed, Dec. 13, 1948; 8:48 a. m.]

TITLE 24—HOUSING CREDIT

Chapter VI—Public Housing Administration

PART 601—CENTRAL OFFICE ORGANIZATION AND FINAL DELEGATIONS OF AUTHORITY TO CENTRAL OFFICE OFFICIALS

Section 601.1 is amended, effective December 6, 1948, as follows:

§ 601.1 *Central office organization and final delegations of authority to central office officials*—(a) *Functions of the Commissioner* The Commissioner of the Public Housing Administration is appointed by the President of the United States with the advice and consent of the Senate. He is primarily responsible for the administration of all of the programs of the Public Housing Administration. The following are the major organizational units of the PHA Central Office with their respective functions:

(b) *Management Division.* The Division is headed by an Assistant Commissioner for Management who is delegated the powers set forth in subparagraphs (4) and (5), of this paragraph and with respect to rural housing projects, those powers delegated in § 601.1 (d) (1) (3) to the Assistant Commissioners for Field Operations and, with respect to Greenbelt towns those powers delegated in § 602.4 (c) of this chapter to housing managers, community managers, and others acting in such capacities with respect to Greenbelt towns. In addition, he is delegated the power:

(1) Pursuant to section 2 (a) (3) of the Farmers' Home Administration Act of 1946, and section 4 (b) of Reorganization Plan No. 3 of 1947, to execute deeds, releases and approvals of conveyances and contracts for operation and maintenance in connection with the non-farm housing projects and other properties concerned.

(2) Pursuant to Public Law 412 (75th Congress) as amended, Public Law 671 (76th Congress) as amended and section 4 (a) of Reorganization Plan No. 3 of 1947, to execute waivers in connection with the provisions contained in Contracts for Loan and Annual Contributions (in the case of Public Law 412 projects) and contracts for Financial Assistance (in the case of Public Law 671 projects) which establish time limits subsequent to which this Administration will not make advances or take delivery of Series B bonds unless extended by this Administration.

(3) In connection with low-rent housing projects to approve estimates of Average Annual Rent. The Management Division is composed of the following Branches: Racial Relations, Taxation, Occupancy, Plants and Structures, Insurance, Construction Inspection and Claims, and Labor Relations, each headed by a Director.

(4) The Director of the Construction Inspection and Claims Branch is delegated the power to hear, consider, and decide, as the duly authorized representative of the Commissioner, all appeals arising out of contracts made by or for the Public Housing Administration in connection with the development of projects where contract provisions state substantially that: "All disputes concerning questions of fact arising under this contract shall be decided by the contracting officer subject to appeal by the contractor within 30 days to the head of the department concerned or his duly authorized representative, whose decision shall be final and conclusive upon the parties thereto."

(5) The Director of the Labor Relations Branch is delegated the power to make determinations of prevailing wages or fees under the provisions of section 16 (2) of the United States Housing Act of 1937, as amended, and to make determinations of the applicable job titles, weekly hours of work, and annual wage rates and other benefits of employment such as sick and annual leave for all manual maintenance employees on public housing projects operated by a local housing authority.

(c) *Disposition Division.* The Disposition Division is headed by an Assistant Commissioner for Disposition who is delegated the following powers in any matters pertaining to the disposition of projects, including personality, undertaken pursuant to the provisions of the Lanham Act, as amended, PL–781 (76th Congress) or PL 9, 73,353 (77th Congress) PL 67 (73d Congress) Public Resolution No. 11 (74th Congress)

(1) To execute contracts with brokers, local housing authorities, or others for disposition or management, including the disposition or management of homes conversion leaseholds.

(2) To execute contracts for the purchase of land or leaseholds.

(3) To execute contracts granting compensation for and to purchase the results of the services of surveyors or appraisers.

(4) To execute contracts of sale, removal, or demolition, lease settlements, lease cancellations, deeds, dedications, permits, revocable licenses, easements, transfer, and conveyance documents, and other instruments in connection with the disposition of housing property, other than transfers of jurisdiction without reimbursement to other Federal agencies.

(5) To sell credit instruments resulting from sales of such projects.

(6) To order and execute contracts for advertisements in connection with disposition of housing property.

(7) To execute contracts for reconditioning of projects.

(8) To approve the annexation of project properties by a political subdivision to facilitate disposition.

The Disposition Division is composed of the following Branches: Sales Branch and Land and Appraisal Branch, each headed by a Director.

(d) *Field Operations Division.* Each of the three Field Operations Divisions is headed by an Assistant Commissioner for Field Operations, responsible to the Commissioner for the administration of activities in his area. There are several field offices under the supervision of each Assistant Commissioner for Field Operations. The headquarters and jurisdiction of each field office is as follows:

AREA A

New York City: Maine, Massachusetts, Vermont, New Hampshire, Rhode Island, Connecticut, New York, Puerto Rico, and the Virgin Islands.

Philadelphia: New Jersey, Pennsylvania, Maryland, and Delaware.

Detroit: Ohio and Michigan.

Chicago: Illinois, Indiana, Kentucky, Missouri, Iowa, Minnesota, Wisconsin, North Dakota, South Dakota, Nebraska, and Kansas.

AREA B

Atlanta: South Carolina, Tennessee, Georgia, Florida, Alabama, and Mississippi.

Fort Worth. Texas, Oklahoma, Arkansas, Louisiana, New Mexico, and Colorado.

Richmond: Virginia, West Virginia, North Carolina, and District of Columbia.

AREA C

San Francisco: That part of the State of California comprised of the Counties of Del Norte, Siskiyou, Modoc, Humboldt, Trinity, Shasta, Lassen, Tehema, Plumas, Glenn, Butte, Yuba, Nevada, Sierre, Mendocino, Lake Colusa, Sutter, Placer, Eldorado, Sonoma, Napa, Yolo, Sacramento, Amador, Marin, San Mateo, Santa Cruz, Solano, Contra Costa, San Joaquin, Calaveras, Alameda, Stanislaus, Alphine, Tuolumne, Mono, San Francisco; Utah, Nevada, and The Territory of Hawaii.

Los Angeles: That part of the State of California comprised of the Counties of Monterey, San Benito, Merced, Maraposa, San Luis Obispo, Fresno, Kings, Tulare, Inyo, Kern, Santa Barbara, Ventura, San Bernardino, Los Angeles, Orange, Riverside, San Diego, and Imperial; and Arizona.

Seattle: Washington, Oregon, Idaho, Montana, Wyoming, and The Territory of Alaska.

Assistant Commissioners for Field Operations are authorized to exercise the powers delegated in § 602.2 to field office directors; and in addition:

(1) Pursuant to the provisions of Public Law 67 (73d Congress) and Public Law 412 (75th Congress), as to PWA projects only· Public Law 671, 781, 849, (excluding Title V thereof), (76th Congress) and Public Laws 9, 73, and 353 (77th Congress) all as amended and supplemented, in connection with the development, management and administration of projects are delegated the powers:

(i) To act as representative of the head of the department for the purpose of approving the consideration of contractors' requests for extension of time, when contracts permit the waiver by the head of the department or his duly authorized representative of the contractors' failure to notify the Government of the delay within the period of time stated within the contract.

(ii) To act as representative of the head of the department for the purposes of waiving the 10-day limitation as may be stipulated in any Construction Contract, for receiving, considering, and adjusting claims, in connection with changes in the contract work, for which claim was made by the contractor (*a*) prior to or (*b*) in his executed Certificate and Release.

(iii) Pursuant and subject to the provisions of the Contract Settlement Act of 1944, to take such actions as are authorized by that Act and are appropriate to accomplish its objectives.

(iv) To execute leases for management of such projects to local housing authorities, or to other local public agencies or private agencies.

(v) In connection with the management of public conversion projects, to modify or extend and to sell or otherwise dispose of any or all leases.

(vi) To execute or approve contracts and contract changes in any amount with respect to the development, operation, maintenance, repair, alteration, or betterment of such projects, and to act as the representative of the head of the department for the purpose of approving such contract changes when the contract documents require the approval of contract changes in excess of $500 by the head of the department or his duly authorized representative; and to execute documents involving any extensions of the contract completion date which may be approvable under the terms of the contract irrespective of whether extra work is involved.

(vii) To select, approve and lease sites.

(viii) To approve the annexation of project properties by political subdivision if necessary to facilitate the extension of adequate public facilities or services including utilities of such property.

(ix) To execute leases, and amendments thereto, to local housing authorities for management of such projects.

(x) In connection with the provisions of sections 3A and 3B of the Administration Fund Agreement (Form PHA-875-2) with respect to leased war housing projects:

(a) To determine when an event of default has occurred under a lease of a war housing project to a local housing authority.

(b) After the determination that an event of default has occurred, to sign and transmit notices to banks pursuant to section 3A of any Agreement and to draw checks and execute certificates and to transmit the same to banks pursuant to section 3B of such agreements.

(xi) To approve statements of management policy and management programs, including revisions.

(xii) To execute agreements for payments in lieu of taxes.

(xiii) To approve or execute leases for commercial facilities.

(xiv) To execute contracts for additional fire protection, police protection, and other necessary services not covered by agreements for payments in lieu of taxes.

(2) Pursuant to Title V of the Lanham Act as amended, Assistant Commissioners for Field Operations are delegated the power:

(i) To execute contracts between the United States and local bodies for the provision of housing under Title V of the Lanham Act, as amended.

(ii) To negotiate and execute cost-plus-a-fixed fee contracts for the construction of Veterans' Re-Use Housing Projects.

(iii) To execute or approve changes in the contract in any amount within the limit of available and allotted funds, and to execute and approve documents involving any extensions of the contract completion date which may be approvable under the terms of the contract irrespective of whether extra work is involved. Any changes approved by an Assistant Commissioner shall apply only to notices to proceed with projects to be erected in his area (without regard to the original location of the buildings being moved)

(iv) Pursuant and subject to the provisions of the Contract Settlement Act of 1944, to take such actions as are authorized by that Act and are appropriate to accomplish its objectives.

(v) To execute notices to proceed.

(vi) To execute leases to local bodies of land owned by the Government.

(3) Pursuant to the U. S. Housing Act of 1937, as amended, and Title II of Public Law 671 (76th Congress), approved June 28, 1940, Assistant Commissioners for Field Operations are delegated the power:

(i) To execute waivers of the following provisions of the loan and annual contributions contracts relating to such projects, as defined by PHA procedures:

(a) The provision which requires that no member of the local housing authority shall participate in any decision affecting his direct or indirect personal interests and that no member, officer, agent, servant or employee of the local housing authority shall have any interest, direct or indirect, in any contract for property, materials or services to be acquired by the local housing authority.

(b) The provision which requires that the local housing authority involved shall not enter into any contract for property, materials, or services with any former member of the local housing authority within one year after he shall have ceased to be a member.

(c) The provision that requires that all work in connection with demolition on the site of the project, site improvements, and the construction and equipment of the projects to be done under fixed price contracts awarded after open and competitive bidding.

(d) The provision that the local housing authority involved will not, during the life of the contract, or while any of the bonds are outstanding, transfer, convey, assign, or in any way encumber the project, provided that this shall be waived only to permit local housing authorities to grant easements in and over the project sites.

(e) The provisions of section 4.02 (c) of Form No. PHA-500, and applicable provisions of the administration fund agreement relating to the withdrawal of moneys from the administration fund, only to the extent necessary to permit the transfer of moneys from that fund (not in excess of the amount that would otherwise be available at the close of the then current fiscal year for transfer to the debt service fund) to the development fund for payment of approved development costs when it is not possible to defer such payment until the maturity date or scheduled refunding of outstanding temporary loan notes issued for the projects.

(f) The provisions of section 4.04 of the General Covenants and Conditions (Form No. PHA-500, April 15, 1942) and section 2 of the Debt Service Fund Agreement (PHA-1121, Rev. 2-3-43), only to the extent necessary to permit the transfer of moneys from the debt service fund to the development fund in an amount not to exceed that portion of the proceeds of the sale of any temporary loan notes which is obtained for the payment of additional approved development costs and which, with the consent of the PHA, is applied to the payment of interest and/or principal of any outstanding temporary loan notes.

(ii) To approve land purchase by a local housing authority for the site of a housing project.

(iii) To execute development fund agreements on behalf of PHA.

(iv) To execute administration fund agreements on behalf of PHA.

(v) To execute debt service fund agreements on behalf of PHA.

(vi) To execute and issue contract award notices.

(vii) To execute and issue development progress certificate and Exhibit B attached thereto (PHA-876).

(viii) To execute and issue occupancy notices.

(ix) To execute and issue physical completion notices.

(x) To authorize the award and to approve the execution of construction contracts and any modification thereof (including change orders) executed by local authorities.

(xi) To approve the deferment of the elimination of unsafe and insanitary dwellings with respect to projects developed by the local housing authorities under PL-671 for a period of one year after the termination of the war housing period as defined in the Contract for Financial Assistance (Specimen Forms Nos. 86 and 86 Alternate, 4-15-42).

(xii) To approve the deferment of the elimination of unsafe or insanitary dwellings with respect to projects developed by local housing authorities under PL-412 and PL-671 for a period of one year from the date deferment is granted: *Provided*, That the Assistant Commissioners for Field Operations shall find and determine that in the locality the ratio of vacant to total dwellings is 3% or less which results in a shortage of decent, safe or sanitary housing available to families of low income so acute as to force dangerous overcrowding of such families:

(xiii) To approve deferment of contract requirements relative to removal of families ineligible for continued occupancy.

(4) Pursuant to the provisions of the Emergency Relief Appropriations Act of 1935, section 43 of the Bankhead-Jones Farm Tenant Act (50 Stat. 530), section 2 (a) (3) of the Farmers' Home Administration Act of 1946 and section 4 of Reorganization Plan No. 3 of 1947 (12 F. R. 4981), Assistant Commissioners for Field Operations are delegated the power:

(i) To renew, upon expiration, leases for land made by the Farm Security Administration on projects transferred to the PHA.

(e) *Fiscal Division.* The Fiscal Division is headed by a Comptroller who is delegated the powers set forth in subparagraphs (1) (i), (ii), (iii), and (2) of this paragraph, and in addition the power: to execute sales contracts, and other contracts incidental thereto, between the Government and individual occupants of Subsistence Homesteads

projects and between the Government and Associations or Corporations purchasing such projects, or parts thereof; in connection with low-rent projects to approve estimates of average annual expense; and in connection with low-rent and war-housing projects to approve consolidated budgets. These powers may also be exercised by the Deputy Comptroller.

(1) The Fiscal Division is composed of the Finance and Accounts Branch, the Audit Branch and the Budget and Fiscal Analysis Branch, each headed by a Director. The Director of the Finance and Accounts Branch, his Administrative Assistant, and the Chief of the Financing Section of that Branch are delegated the power:

(i) To approve banks proposed or selected by local authorities as depositaries or fiscal agents in compliance with the local authorities' contracts for loans and annual contributions, to approve fees payable to the fiscal agents and to approve the use of banks or depositaries for PHA directly operated, leased, or conversion-management projects;

(ii) To accept the service of process pursuant to attachment or garnishment proceedings served upon the Public Housing Administration with regard to any debtor-employee, to execute all necessary and proper documents required in connection therewith and appear to testify for the PHA when so ordered by a court of competent jurisdiction and upon proper legal notice; and

(iii) To execute Requisition Agreements pursuant to the United States Housing Act of 1937, as amended, and Public Law No. 671, approved June 28, 1940.

(iv) The powers delegated in subparagraphs (i) and (iii) of this subparagraph may also be exercised by the Securities Examiner of the Finance and Accounts Branch.

(2) The Director of the Budget and Fiscal Analysis Branch is delegated the power to approve all individual project budgets.

(f) *Administrative Division.* The Administrative Division is headed by an Executive Officer who is delegated the powers set forth in subparagraphs (1) (i) (ii) (iii) and (iv) and (2) of this paragraph. The Administrative Division is composed of the Personnel and Planning Branch, the Office Services Branch, the Personal Property Branch, and the Document Control Branch, each headed by a Director.

(1) The Director of the Office Services Branch is responsible for procurement, control, and accountability, in connection with administrative (non-project) activities. The Director of the Personal Property Branch is responsible for the acquisition (except acquisition by the Office Services Branch) accountability, utilization, storekeeping, warehousing, and transportation of personal property, and for the disposition of all personal property. In carrying out their respective functions each of these directors is delegated the power:

(i) To execute contracts for the purchase, leasing, and rental of equipment, supplies and space, and for the procurement of services other than personal services;

(ii) To execute contracts up to $100 for the temporary or intermittent employment of persons or organizations as experts or consultants; and

(iii) To order (in accordance with the provisions of General Accounting Office Gen. Reg. No. 109) the publication of advertisements.

(iv) The Director of the Personal Property Branch is delegated the power to dispose of personal property including the power to execute Certificates of Release (Standard Form 97) in connection with the disposal of motor vehicles.

(g) *Attesting Officer* The Executive Officer is designated as the Attesting Officer for the Public Housing Administration in the Central Office. The Attesting Officer shall affix the official seal to such documents as may require its application, and is authorized to certify that copies of documents, leases, contracts and other papers duly approved, are identical with the originals on file in the Central Office. The Director, Officer Services Branch, and the Administrative Assistant of the Legal Division are designated as alternate Attesting Officers in the Central Office and shall have the same duties, functions, and authority vested in the Attesting Officer.

(h) *Acting Commissioner* Such person as the Commissioner shall designate from time to time to serve as Acting Commissioner during periods when he is absent from duty, is authorized to exercise all the powers, duties, and functions, while so acting, that are vested in the Commissioner.

(i) *Acting Officials.* Such persons as are designated from time to time to serve in an acting capacity for any officials of PHA, as provided in Parts 601 or 602, during periods when such officials are absent from duty, are authorized to exercise all the powers, duties, and functions, while so acting, that are vested by these Parts in the officials for whom they act.

(j) *Central Office Address.* The address of the Central Office is Public Housing Administration, Longfellow Building, Washington 25, D. C.

(Sec. 3, 60 Stat. 238; 5 U. S. C. 1002)

[SEAL] JOHN TAYLOR EGAN,
Commissioner

DECEMBER 8, 1948.

[F. R. Doc. 48-10833; Filed, Dec. 13, 1948; 8:47 a. m.]

PART 602—FIELD ORGANIZATION AND FINAL DELEGATIONS OF AUTHORITY

Sections 602.1, 602.2, and 602.3 are hereby superseded by §§ 602.1 and 602.2, as given below, effective December 6, 1948:

§ 602.1 *Field organization.* The Commissioner, in administering the PHA, has established 10 field offices responsible for project supervision and performance of the minimum functions that must be carried out in the field. Each field office is headed by a Field Office Director who is responsible to an Assistant Commissioner for Field Operations. The Field Office Director is responsible for the administration of PHA activities in his area of jurisdiction and for maintaining all PHA contacts with the public in his area of jurisdiction. The field office shall consist of the following organizational units, each headed by an officer responsible to the Field Office Director: (a) Legal, (b) Management, (c) Rental and Occupancy, (d) Plants and Structures, (e) Disposition, (f) Appraisal, (g) Personal Property, and (h) Office Services. Field offices are located in the cities, and have geographical jurisdictions as shown in § 601.1 (d) of this chapter. Numerous project and rental offices, and contract managers operate under the direct control of field offices. Because of the large number of project engineers' housing managers' and contract managers' offices located throughout the country, it is impractical to list them here. Any request for information concerning them should be addressed to the appropriate field office.

§ 602.2 *Delegation to Field Office officials.* (a) Field Office Directors are authorized to exercise the powers delegated in § 602.4 (b) to general housing managers, housing managers and their assistants, and management aides, and § 602.4 (c) to housing managers, community managers, and other acting in such capacities, except with respect to Greenbelt towns. In addition there is delegated to Field Office Directors the power:

(1) To grant revocable licenses, permits and easements, and execute appropriate instruments therefor, to facilitate the provisions of necessary streets, alleys, walks, or other means of ingress and egress and utilities.

(2) To execute relinquishments and transfers to educational institutions of contractual and property rights of the United States in and with respect to temporary housing located on land owned by such institutions, or controlled by them and not held by the United States.

(3) Pursuant to the provisions of Public Laws 412, 671, 781, 849 (76th Congress) and Public Laws 9, 73, and 353 (77th Congress), all as amended, with respect to the administration of projects and of the field office:

(i) To execute contracts and leases for supplies, equipment, space, and services (other than personal services)

(ii) To make final determination that personal property under their jurisdiction at any one place at any one time which cost under $25,000 is salvage or scrap, and to execute contracts covering the sale, at the best price obtainable, of small lots, salvage, or scrap.

(iii) To act as the reviewing authority for the donation, destruction or abandonment of any personal property which cost under $1,000 after having determined that the property has no commercial value or the estimated cost of its care, handling, and disposition would exceed the estimated proceeds of its sale for any purpose.

(4) To turn over to the Bureau of Federal Supply property in the Administrative program determined to be surplus.

(5) To accept, on behalf of the Commissioner, service of process properly

issued pursuant to attachment or garnishment proceedings served upon them by a court of competent jurisdiction with respect to any debtor-employee of the Public Housing Administration employed under their jurisdiction, and to execute all necessary and proper documents required therewith.

(6) Pursuant to the provisions of Public Law 67 (73d Congress) and Public Law 412 (75th Congress) as to PWA projects only: Public Laws 671, 781, and 849 (excluding Title V thereof) (76th Congress) and Public Laws 9, 73, and 353 (77th Congress) all as amended and supplemented:

(i) To execute or approve contracts and contract changes in any amount with respect to the development, operation, maintenance, repair, alteration, or betterment of such projects, and to act as the representative of the head of the department for the purpose of approving such contract changes when the contract documents require the approval of contract changes in excess of $500 by the head of the department or his duly authorized representative; and to execute documents involving any extensions of the contract completion date which may be approvable under the terms of the contract irrespective of whether extra work is involved.

(ii) To grant revocable licenses, easements, and permits to other than Federal agencies and to execute the appropriate instruments therefor, to facilitate provision of adequate utility services for any Federally-owned projects.

(iii) To effect the annexation of project properties by political subdivision if necessary to facilitate the extension of adequate public facilities or services including utilities to such property.

(iv) To execute contracts which housing managers are not authorized to execute, including negotiated contracts where authorized by law.

(v) To authorize the housing of persons employed directly by the PHA, local housing authorities, or other agencies engaged in the operation of public war housing projects.

(7) In connection with the management of public conversion projects:

(i) To establish, adjust, or revise rentals for dwelling units in conversion projects, and also to approve the compromise or release of claims for delinquent rent due from tenants or former tenants.

(ii) To modify or extend leases, and to terminate leases by agreement with the lessor and where the recovery on termination is equal to or more than the estimated recovery if the lease ran its full term.

(iii) To exercise all rights and privileges of the United States under leases for conversion projects.

(iv) To execute or approve contracts and contract changes with respect to the operation, maintenance, repair, alteration, or betterment of public conversion projects, and to act as the representative of the head of the department for the purpose of approving such contract changes when the contract documents require the approval of such contract changes by the head of the department or his duly authorized representative.

(v) To execute contracts with brokers for representing PHA on termination of leases and to approve vouchers in payment of such services.

(vi) To execute contracts with brokers for "conversion management properties"

(8) Pursuant to the U. S. Housing Act of 1937, as amended, and Title II of Public Law 671 (76th Congress) approved June 28, 1940:

(i) To approve the dedication to the public by local housing authorities, of land for the laying out, construction, maintenance, or widening of streets or alleys within the area of the project.

(ii) To execute and issue equivalent elimination notices.

(iii) To certify as to the low-rent character of a project.

(9) In any matters pertaining to the disposition of projects undertaken pursuant to the provisions of the Lanham Act, as amended, PL-781 (76th Congress) or PL-9, 73, 353 (77th Congress), Field Office Directors are delegated the power:

(i) With respect to permanent and temporary projects, to execute contracts of sale, removal or demolition, lease cancellations or settlements, deeds, dedications, revocable licenses, permits, easements, transfer documents, and other instruments in connection with the disposition of housing property, other than transfers of jurisdiction without reimbursement to other Federal agencies.

(ii) To order and execute contracts for advertisements in connection with disposition of housing property.

(iii) To execute contracts with brokers, local authorities, or others for management or disposition including conversion leaseholds.

(iv) To execute contracts granting compensation for and to purchase the results of the services of surveyors or appraisers.

[SEAL] JOHN TAYLOR EGAN,
Commissioner.

DECEMBER 8, 1948.

[F. R. Doc. 48-10832; Filed, Dec. 13, 1948; 8:47 a. m.]

PART 631—WAR HOUSING PROGRAM: POLICY

RENTAL AND OCCUPANCY

Section 631.2 is hereby amended, effective November 15, 1948, to read as follows:

§ 631.2 *Rental and occupancy.* Persons seeking admission to vacant units in these projects should make application to the project manager or to the local authority having jurisdiction over the project. Projects in rent-controlled areas are subject to maximum registered rents. Generally, rents shall be fair rentals based on value.

(a) Where rents charged to families of veterans and servicemen of World War II constitute an excessive proportion of family income, such rents will, upon application of the tenant at the time of admission or at a subsequent date, be adjusted to the net anticipated family income. Such adjustments shall terminate at the end of a stipulated temporary period (not less than three months or more than six months) unless upon application from the tenant it is found that the family income warrants a further period of adjustment at the same rent, or at a higher or lower rent.

(b) Families of non-veterans or non-servicemen will not be admitted at adjusted rents and no downward adjustments will be made after admission. Existing adjustments may be continued for the balance of the stipulated temporary period, at the end of which period they shall terminate, unless upon application from the tenant, it is found that the family income warrants a further period of adjustment at the same rent or a higher rent.

(c) In no case shall any family be charged a rent less than the minimum adjusted rent established for the project. (54 Stat. 1128, as amended; 42 U. S. C. 1548)

Approved: December 6, 1948.

JOHN TAYLOR EGAN,
Commissioner.

[F. R. Doc. 48-10825; Filed, Dec. 13, 1948; 8:45 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter B—Administrative Provisions Common to Various Taxes

PART 458—INSPECTION OF RETURNS

REORGANIZATION AND RENUMBERING OF PART

EDITORIAL NOTE: In order to conform Part 458 of Title 26 to the scope and style of the Code of Federal Regulations, 1949 Edition, as prescribed by the Regulations of the Administrative Committee of the Federal Register approved by the President effective October 12, 1948 (13 F. R. 5929), the part is reorganized and renumbered as outlined below.

SUBPART A—INSPECTION UNDER REGULATIONS OF GENERAL APPLICATION

INCOME, PROFITS, AND CAPITAL STOCK TAX RETURNS AND RETURNS UNDER TITLE IX OF THE SOCIAL SECURITY ACT

Sec.
458.1 Return.
458.2 Corporation.
458.3 Partnership.
458.4 Stock.
458.5 Return of individual.
458.6 Joint return of husband and wife.
458.7 Partnership return.
458.8 Estates.
458.9 Trusts.
458.10 Corporations.

ESTATE AND GIFT TAX RETURNS FILED AFTER JUNE 10, 1933, UNDER THE REVENUE ACT OF 1932, OR UNDER THE REVENUE ACT OF 1932, AS AMENDED

458.20 General.
458.21 Application for inspection.
458.22 Disclosure for investigation purposes.
458.23 Inspection by State officials.
458.24 Inspection discretionary in Commissioner in certain cases.

GENERAL PROVISIONS APPLICABLE TO §§ 458.1–458.24

Sec.
458.30 Scope.
458.31 Permission to inspect.
458.32 Treasury Department officials and employees.
458.33 Inspection by branch of Government other than Treasury Department.
458.34 Inspection by Government attorneys.
458.35 Information returns.
458.36 Place of inspection.
458.37 Applications for inspection.
458.38 Penalties.
458.39 Former regulations revoked.

INCOME RETURNS (INCLUDING PERSONAL HOLDING COMPANY AND UNJUST ENRICHMENT RETURNS), AND EXCESS-PROFITS AND CAPITAL STOCK TAX RETURNS, AND RETURNS OF EMPLOYMENT TAX ON EMPLOYEES UNDER SUBCHAPTER C OF CHAPTER 9 OF THE INTERNAL REVENUE CODE

458.50 Introductory.
458.51 Terms used.
458.52 Return of individual.
458.53 Joint return of husband and wife.
458.54 Partnership return.
458.55 Estates.
458.56 Trusts.
458.57 Corporations.

ESTATE AND GIFT TAX RETURNS UNDER THE INTERNAL REVENUE CODE

458.58 General.
458.59 Application for inspection.
458.60 Disclosures for investigation purposes.
458.61 Inspection by State officials.
458.62 Inspection discretionary with Commissioner in certain cases.

GENERAL PROVISIONS APPLICABLE TO §§ 458.51–458.62

458.63 Scope.
458.64 Permission to inspect.
458.65 Treasury Department officials and employees.
458.66 Inspection by branch of Government other than Treasury Department.
458.67 Inspection by Government attorneys.
458.68 Information returns.
458.69 Place of inspection.
458.70 Applications for inspection.
458.71 Penalties.

INCOME AND EXCESS PROFITS TAX RETURNS, EXCEPT RETURNS UNDER TITLE III OF THE REVENUE ACT OF 1936, CAPITAL STOCK TAX RETURNS, AND RETURNS UNDER TITLE IX OF THE SOCIAL SECURITY ACT

458.80 Introductory.
458.81 Definitions.
458.82 Access to returns by State officers.
458.83 Examination of returns by shareholder.
458.84 Penalties for disclosure of returns.

RETURNS UNDER TITLE III OF THE REVENUE ACT OF 1936

458.90 Inspection of returns by State taxing officials.
458.91 Examination of returns by shareholder.

ESTATE AND GIFT TAX RETURNS FILED ON OR BEFORE JUNE 18, 1933

458.100 General.
458.101 Inspection by executor or donor.
458.102 Disclosure of information by revenue officer.
458.103 Inspection by State officers.
458.104 Inspection by person having material interest.
458.105 Inspection by Government attorneys.
458.106 Returns in custody of collector or revenue agent in charge.

GENERAL PROVISIONS

Sec.
458.110 Use of returns in litigation.
458.111 Furnishing of copies of returns.
458.112 Supplemental documents, records and reports.

EXCISE TAX RETURNS

458.120 Introductory.
458.121 Inspection of excise tax returns.

SUBPART B—USE OF ORIGINAL RETURNS OPEN TO INSPECTION IN ACCORDANCE WITH §§ 458.50–458.71; FURNISHING OF COPIES OF RETURNS; INSPECTION OF RETURNS OF CORPORATIONS BY STATE OFFICERS AND SHAREHOLDERS

INTRODUCTORY

458.200 Intrcductory.

SPECIAL PROVISIONS

458.201 Access to returns by State officers.
458.202 Inspection f returns by State taxing officials.
458.203 Examination of returns by shareholder.

GENERAL PROVISIONS

458.204 Use of returns in litigation.
458.205 Furnishing of copies of returns.
458.206 Supplemental documents, records and reports.
458.207 Penalties for disclosure of returns.
458.208 Terms used.
458.209 Prior regulations under code superseded.

SUBPART C—INSPECTION UNDER SPECIAL EXECUTIVE ORDERS

458.300 Inspection of returns by Department of Commerce.
458.301 Inspection of statistical transcript punch cards by Federal Security Agency.
458.302 Inspection of income, excess-profits, and declared value excess-profits tax returns by the War Contracts Price Adjustment Board.
458.303 Inspection of returns by Federal Trade Commission.

Subchapter F—Records and Procedure

PART 600—ORGANIZATION

PART 601—PROCEDURE

EDITORIAL CHANGES INCIDENT TO PUBLICATION OF CODE OF FEDERAL REGULATIONS, 1949 EDITION

EDITORIAL NOTE: In order to conform Parts 600 and 601 of Title 26 to the scope and style of the Code of Federal Regulations, 1949 Edition, as prescribed by the Regulations of the Administrative Committee of the Federal Register approved by the President effective October 12, 1948 (13 F R. 5929) the following editorial changes are made, effective upon their publication in the FEDERAL REGISTER:

1. The headnote of Subchapter F is amended to read "Records and Procedure."

2. Codification of Part 600, except § 600.1 (b) is discontinued. Future amendments to the statement of organization of the Bureau of Internal Revenue will appear in the Notices section of the FEDERAL REGISTER.

3. Section 600.1 (b) is retained under the headnote "Part 600—Records," and is reorganized and renumbered as outlined below:

PART 600—RECORDS

Sec.
600.1 Classification.
600.2 Publication and public inspection.

The internal subdivisions of former § 600.1 (b) are renumbered as shown in the following table:

Old number	*New number*
(1)	600.1
(1) (i)	600.1 (a)
(1) (ii)	600.1 (b)
(2)	600.2
(2) (i)	600.2 (a)
(2) (i) (*a*)	600.2 (a) (1)
(2) (i) (*b*)	600.2 (a) (2)
(2) (i) (*c*)	600.2 (a) (3)
(2) (i) (*d*)	600.2 (a) (4)
(2) (i) (*e*)	600.2 (a) (5)
(2) (i) (*f*)	600.2 (a) (6)
(2) (ii)	600.2 (b)
(2) (ii) (*a*) (revoked, 13 F. R. 2195)	
(2) (ii) (*b*)	600.2 (b) (1)
(2) (ii) (*c*)	600.2 (b) (2)
(2) (iii)	600.2 (c)
(2) (iv)	600.2 (d)

4. In Part 601 all references to Part 600 are deleted.

TITLE 36—PARKS AND FORESTS

Chapter II—Forest Service, Department of Agriculture

PART 221—TIMBER

REVISION OF REGULATIONS PERMITTING USE OF TIMBER RESOURCES ON NATIONAL FORESTS

Sections 221.1 to 221.31, Part 221, Chapter II, Title 36, Code of Federal Regulations, are superseded by the following regulations, effective December 31, 1948:

Sec.
221.1 Timber uses.
221.2 Future growth, reduction of hazard, utilization.
221.3 Disposal of national forest timber according to management plans.
221.4 Cooperative and Federal sustained yield units.
221.5 Where timber may be cut.
221.6 Authorization to make sales.
221.7 Reappraisal.
221.8 Advertisement and bids.
221.9 Emergency sales.
221.10 Awards of advertised timber.
221.11 Financial standing of applicant or bidder.
221.12 Private sales of advertised timber.
221.13 Payment in advance of cutting; refunds and transfers.
221.14 Bonds.
221.15 Administration of sales.
221.16 Modifications and transfers of agreement.
221.17 Cancellation of agreements.
221.18 Breach of contract.
221.19 Sales of naval stores cuppage.
221.20 Sales of other forest products.
221.21 Sales of seized material.
221.22 Sales at cost.
221.23 Timber given in exchanges.
221.24 Administrative use for improvements, investigative use by government, relief, and non-profit organizations; primarily of benefit to the applicant.
221.25 Administrative use for protection, stand improvement, or investigations; primarily of benefit to the timber stand.
221.26 Free use by individuals

Sec.
221.27 Free use in Alaska.
221.28 Free use by other branches of the Federal Government.
221.29 Timber settlement.

AUTHORITY: §§ 221.1 to 221.2, 221.5 to 221.12, 221.14 to 221.21, 221.25 to 221.27 issued under 30 Stat. 35, 33 Stat. 628; 16 U. S. C. 551,572. Statutes giving special authority are cited to text in parentheses.

§ 221.1 *Timber uses.* The Chief, Forest Service, is hereby authorized to permit the use of the timber resource of the national forests and to delegate this authority to subordinate officers, to the extent, in ways, and by means compatible with the laws and the other regulations of the Secretary of Agriculture concerning such use, so as to make that resource of the greatest permanent usefulness to the people of the United States. [Reg. S-1]

§ 221.2 *Future growth, reduction of hazard, utilization.* Each sale or other use of national forest timber will be authorized only after the approving officer is satisfied that practicable fire-prevention measures and methods of cutting and logging are prescribed which will preserve the residual living and growing timber, promote the younger growth, reduce the hazards of destructive agencies, secure favorable conditions of water flows, and obtain as complete utilization of the various species and grades of material as the existing markets or the requirements of users permit. [Reg. S-2]

§ 221.3 *Disposal of national forest timber according to management plans.* Management plans for national forest timber resources shall be prepared and revised, as needed, for working circles or other practicable units of national forest. Such plans shall:

(a) Be designed to aid in providing a continuous supply of national forest timber for the use and necessities of the citizens of the United States.

(b) Provide, so far as feasible, for the stabilization of communities and of opportunities for employment.

(c) Be based on the principle of sustained yield, with due consideration to the condition of the area and the timber stands covered by the plan.

(d) Be approved by the Chief, Forest Service, unless authority for such approval shall be delegated to subordinates by the Chief.

(e) Establish the maximum amount of timber which may be cut from the national forest lands within the unit by years or other periods.

When necessary to promote better utilization of national forest timber or to facilitate protection and management of the national forests, a management plan may include provisions for requirements of purchasers for processing the timber to at least a stated degree within the working circle, or within a stated area, and, when appropriate, by machinery of a stated type; and agreements for cutting in accordance with the plan may so require.

Unless prohibited by specific instructions from the Secretary of Agriculture, timber lawfully cut on any national forest, except the national forests in Alaska, may be exported from the State where grown. Timber cut from the national forests in Alaska may not be exported from the Territory of Alaska in the form of logs, cordwood, bolts, or other similar products necessitating primary manufacture elsewhere without prior consent of the Regional Forester when the timber sale project involved is within his authorization to sell or the Chief, Forest Service, when a larger timber sale project is involved. In determining whether consent will be given to the export of such products consideration will be given, among other things, to whether such export will (1) permit a more complete utilization of material in areas being logged primarily for products for local manufacture, (2) prevent loss or serious deterioration of logs unsalable locally because of an unforeseen loss of market, (3) permit the salvage of timber damaged by wind, insects or fire, (4) bring into use a minor species of little importance to local industrial development, (5) provide material required to meet national emergencies or to meet urgent and unusual needs of the Nation. (44 Stat. 242; 16 U. S. C. 616) [Reg. S-3]

§ 221.4 *Cooperative and Federal sustained yield units.* (a) The Chief, Forest Service, is authorized with respect to forest lands administered by the Forest Service to exercise all of the powers and duties conferred on the Secretary of Agriculture by the act of March 29, 1944 (58 Stat. 132; 16 U. S. C. 583-583), and to delegate to other officers and employees of the Forest Service such of these powers and duties as he may consider desirable in carrying out the purposes of said act.

(b) In carrying out the provisions of paragraph (a) of this section the Chief, Forest Service:

(1) May prepare plans for the establishment of practicable units of sustained yield with any such unit consisting partly or wholly of national forest land, and for the management of the timber resources thereon; an dafter consideration of the record of the advisory hearings provided for by said act, may formally establish such units by publication in the FEDERAL REGISTER of a statement thereof with such modification or correction of the boundaries of any unit for the management of the timber resources as may be deemed by him to be desirable.

(2) May prepare cooperative agreements with the owners or administrators of other land within any such unit of sustained yield for the coordinated management of such lands, and, after consideration of the record of the advisory hearings provided for by the said act, may approve any such agreement with such changes as are deemed desirable by him and are accepted by the other parties thereto, except that cooperative agreements with other Federal Departments shall be approved by the Secretary of Agriculture.

(3) Shall provide that national forest timber in any sustained yield unit shall be available in sufficient amounts to meet the needs of bona fide farmers, settlers, miners, residents and prospectors for minerals for personal and domestic use as provided by law and by regulation.

(4) Shall take such action as he may deem necessary to give wide advance public notice of the proposals for the establishment of any such sustained yield unit and for any such cooperative agreement, and of the proposed advisory hearings thereon, including in all cases:

(i) Notification sent by registered mail to each landowner of record whose land is proposed to be included, and

(ii) Publication, in one or more newspapers of general circulation in the vicinity of the proposed unit, of a notice stating (*a*) the location of the proposed unit, including a clear definition of its boundaries; (*b*) if any cooperative agreement is involved, the name and address of each proposed cooperator; (*c*) the duration of any proposed cooperative agreement which may be involved; (*d*) the location of the national forest land the estimated quantity of timber thereon and, separately, the location of the land and the estimated quantity of timber of each proposed cooperator, if any, in the proposed unit; (*e*) the expected rate of cutting of such timber; and (*f*) the time and place of a public advisory hearing, to be held not earlier than 30 days after the first publication of the notice, for the public presentation of the advantages and disadvantages of the proposed action to the community or communities involved. Proposals for the establishment of a sustained yield unit and for one or more cooperative agreements with the owners or administrators of other forest lands within the proposed unit may be combined in the notice given to the public and in the hearings.

(5) May offer for sale to cooperators, without competition but at not less than appraised value, timber on national forest lands within an approved cooperative sustained yield unit; or, if the approved sustained yield unit consists entirely of Federally owned or administered forest land and if necessary for the maintenance of a stable community or communities, may offer national forest timber for sale to responsible operators within such community or communities, at not less than appraised value but without competition or with competition restricted to responsible operators who will manufacture the timber to at least a stated degree within the community or communities to be maintained. Each such sale which involves more than $500 in stumpage value may be made only after notice has been given in advance by such means as may be deemed effective in informing the public of the proposed action, including, in any event, publication, once weekly for four consecutive weeks and with additional insertions if needed, in one or more newspapers of general circulation in the vicinity of the place where the timber is located, of a notice of the proposed sale stating at least (i) the location, estimated quantity and appraised value of the timber to be cut; (ii) the name and address of the proposed purchaser or those of the operators among whom bidding is to be restricted; (iii) the time and place of a public advisory hearing on the proposed sale, to be held not earlier than 30 days after the first

publication of said notice, if requested by the State or county where the timber is located or by any other person deemed to have a reasonable interest in the proposed sale or in its terms; and (iv) the title and address of the officer of the Forest Service to whom any request for such a hearing should be made. Such requests need be considered only if received at the place designated in the notice not later than 15 days after the first publication of such notice. If a public advisory hearing is to be held, notice of it shall be published in the same newspaper or newspapers as the original notice, stating the place where it will be held and the time which shall not be earlier than 10 days after the first publication of the said notice of hearing, and shall appear once each week, but not for more than four successive weeks in any event, until the date set for the hearing.

(6) Shall hold or cause to be held the public hearings provided for by said act and by this section, for the purposes of giving full information to the public and of obtaining the aid and advice of interested persons and agencies. Any hearing on proposals for the establishment of sustained yield units, either cooperative or consisting of Federally owned land, or for a cooperative agreement, or on combined proposals for such actions, shall be held at a place determined by the Chief, Forest Service, as suitable for accomplishing the said purposes, and shall be conducted by the said Chief or by an officer designated by him as his representative. At any such hearing, in addition to a statement of the proposals and the reasons therefor made by a member or members of the Forest Service, opportunity shall be given to others having a reasonable interest to make oral statements or to file written statements discussing the advantages and disadvantages of the proposed action or actions to the community or communities affected; and the officer holding the hearing may, in his discretion, permit the filing of such statements, to become part of the record for consideration by the Chief, Forest Service, before making decision, during a reasonable period after the close of the hearing. Any hearing on a proposed sale of timber within a sustained yield unit established under the act and this section shall be held for the same purposes and in the same manner, except that if the amount of the proposed sale is not in excess of that which the Regional Forester has been authorized to sell without prior approval of the Chief, Forest Service, the hearing may be held by the Regional Forester concerned or by his representative, and decision may be by the Regional Forester.

(7) Shall keep available for public inspection, (i) during the life of any sustained yield unit, the minutes or other record of the hearing held on the establishment thereof, and the determination of action taken following the hearing, including any modification of the proposals as submitted at the hearing; and (ii) during the life of any cooperative agreement for coordinated management, the similar record of the hearings and actions determined upon; and (iii) during the life of any sustained yield unit, the similar record of any public hearing which may be held on a sale made without competition or with restricted competition and the action determined upon. Such records of any case may be kept in any office of the Forest Service designated by the Chief as being suitable and convenient of access for probably interested persons.

(8) Shall make provision, in any agreement for the purchase of timber without competition or with restricted competition, if that agreement is of more than five years' duration and in his discretion in any case of shorter duration, for the redetermination of stumpage prices to be paid by the purchaser, such redetermination to be effective at intervals or dates stated in the agreement; but the prices so redetermined shall not be less than those stated as the appraised values in the published notice of the proposed sale. (58 Stat. 132; 16 U. S. C. 583–583i) [Reg. S–4]

§ 221.5 *Where timber may be cut.* The cutting of timber may be authorized as prescribed by regulation, under sale, permit, or otherwise on any vacant national forest land whether reserved from the public domain, purchased, acquired by exchange, donated, or transferred from other Federal agencies, or on land administered by the Forest Service under an authorization for the application to it of the regulations for the occupancy and use of the national forests, except for:

(a) Timber reserved by a grantor of land, during the life of such reservation.

(b) Timber reserved from disposal under other regulations.

(c) Timber on valid claims which were located or entered prior to:

(1) The first publication of the notice of sale.

(2) The execution of the sale agreement or approval of permit for timber where disposal is without publication of notice.

(3) The signing by the Secretary of Agriculture of a recommendation to the Secretary of the Interior for an exchange in which timber on the area is to be given to the proponent.

(4) The first publication of a notice of hearing under the provisions of § 221.4 on a cooperative or Federal sustained yield unit including the area.

No person shall prevent or interfere with the cutting and removal of timber under any sale, permit, grant, agreement, or establishment of a sustained yield unit because of a location or entry made subsequent to authorized actions for timber disposal.

Timber on any unperfected claim may be disposed of with the written consent of the claimant, or, in emergencies arising from insect infestations, disease infections, or rapid deterioration of timber killed or dying from fire or other causes, without the consent of the claimant.

Timber on an unperfected mining or homestead claim may be cut by the claimant for the actual development of the claim or for uses consistent with the purposes for which the claim was entered. All other cutting by or under authority of the claimant is prohibited on such claims except as may be authorized by sale, permit, or grant in exchange for land.

Timber on unapproved selections or other lands of unsettled status may be sold, in emergencies to prevent serious loss, upon submission of a bond by the operator to pay a stipulated price for the timber cut if title is not perfected adversely to the United States within a specified period, or if the claim of title thereto adverse to the United States is determined to be invalid.

With prior approval by the Regional Forester timber on lands under option by the United States or on offered lands included in an approved land exchange agreement may be sold. Before the sale is made, a cooperative agreement must be made with the owner of the land authorizing the Forest Service to conduct the sale and providing for return of stumpage receipts to the owner if title to the land is not accepted by the United States. [Reg. S–5]

§ 221.6 *Authorization to make sales.* The Chief, Forest Service, is authorized to make timber sales for any amount on any national forest, subject to the maximum cut fixed in accordance with established policies for management of the national forests. He may delegate this authority for amounts not exceeding, in any one sale, 50 million feet board measure, or the equivalent thereof, to Regional Foresters, and the latter may authorize subordinates to make sales not exceeding, in any one sale, 10 million feet board measure or the equivalent. All supervisors and forest officers in charge of Research Centers may make sales of not exceeding $500 in value without special authorization and may delegate this authority to subordinate officers.

The Chief, Forest Service, after approval of conditions of sale, may authorize Regional Foresters formally to approve timber sale agreements and related papers in sales exceeding the volume which the Regional Forester has been authorized to sell. [Reg. S–6]

§ 221.7 *Reappraisal.* All sale agreements exceeding five years in duration, and those of shorter duration to the extent found desirable by the officer authorizing the sale, will provide for the redetermination of stumpage prices, after reappraisals, at intervals ordinarily of not more than three years, and of not more than five years in any case, exclusive of any period allowed for the construction of improvements; but agreements for large sales in Alaska, chiefly of pulpwood, involving installation of extensive manufacturing facilities may provide that the first redetermination of stumpage prices will be made after not more than ten years, exclusive of any period allowed for the construction of improvements. No redetermined stumpage price shall be less than the base price determined in the original appraisal. [Reg. S–7]

§ 221.8 *Advertisements and bids.* Except as otherwise provided, each sale in which the appraised value of the timber exceeds $500 will be made only after advertisement for a period of 30 days or, if in the opinion of the officer authorizing

the sale, the quantity, value or other conditions justify, a longer period; and any sale of smaller appraised value will be advertised or informal bids solicited from possible purchasers if, in the judgment of the officer authorizing the sale, such action is deemed advisable. The advertisement will include:

(a) The location and estimated quantities of timber offered for sale.

(b) The minimum acceptable stumpage prices.

(c) The amount or rate of any required additional payments.

(d) Special requirements of the offering.

(e) The place where complete information on the offering may be obtained.

(f) The time and place at which (1) sealed bids will be opened publicly or (2) opportunity to make oral or written bids will be given by auction.

(g) The amount of deposit which each bidder must make, or which must be made promptly by the successful bidder in an oral auction.

The right to reject any and all bids will be reserved in each case. [Reg. S–8]

§ 221.9 *Emergency sales.* Timber may be sold in amounts exceeding $500 in value in advance of advertisement in cases of unusual emergency. Emergency sale agreements will require that the purchaser bid for the entire offering at not less than the appraised value, and pay for all timber cut under the emergency agreement at the rate or rates of the highest bona fide bid submitted.

An unusual emergency exists if the applicant is in immediate need of timber for his own use or to meet urgent public needs, or to maintain opportunities for gainful employment in the locality, or if immediate cutting is necessary because of rapid deterioration of the timber. Emergency sale agreements will be approved by the officer having authority to approve sales of the total quantity being advertised, but Regional Foresters may require advance submission to them of all proposals to make emergency sales. [Reg. S–9]

§ 221.10 *Awards of advertised timber* Advertised timber will be awarded to the highest bidder upon satisfactory showing by him of ability to meet financial requirements and any other conditions of the sale offer unless:

(a) Determination is made to reject all bids.

(b) Two or more bidders, all of whom meet the requirements, submit equal bids which are the highest bids, in which case award may be by division of the sale or by the drawing of lots. Equal bids from parties having direct or indirect common control or association in logging, processing or marketing may be consolidated to the extent deemed necessary by the awarding officer in order to give to any others who have bid the same amount an equitable opportunity in the division of the sale, or in the drawing of lots.

(c) Award, at the highest price bid, to the purchaser under an emergency sale, or division of the sale between such purchaser and the highest bidder, may be required in the public interest because of the emergency or in equity because of investments necessarily made for logging the emergency sale timber.

(d) The highest bidder is notoriously or habitually careless with fire, or has failed to comply satisfactorily with the requirements of previous contracts for national forest timber.

(e) Monopoly, injurious to the public welfare, would result from the control of large amounts of public or of public and private timber.

(f) The award would result in removing or materially lessening opportunities for gainful employment to local labor; or would be against the interests of local users dependent on national forest timber; or would cause the abandonment or prevent the establishment of a local industry which should furnish a desirable permanent market for national forest products.

Any bidder or applicant for a sale may be required to furnish a statement of his relation to other bidders or operators, including, if desired by the supervisor or Regional Forester, a certified statement of stockholders or members of the firm, and the holders of bonds, notes or other evidences of indebtedness, so far as known, so that the statement will show the extent of the interest of each in the bidder or applicant.

If the highest bid is not accepted and the sale is still deemed desirable, all bids may be rejected and the timber readvertised; or, if the highest bidder cannot meet the requirements under which the timber was advertised or the withholding of award to him is based on one or more of paragraphs (d) (e) and (f) of this section, award at the highest price bid may be offered to the next highest qualified bidder or to the other qualified bidders in order of their bids until the award is accepted by one or refused by all of the qualified bidders. [Reg. S–10]

§ 221.11 *Financial standing of applicant or bidder.* When necessary in the judgment of the approving officer, any applicant or bidder may be required to submit, before expense is incurred in acting on the application or before award is made in response to a bid, a satisfactory showing of financial ability and bidder may be required to show that he has or can obtain equipment and supplies suitable for logging and manufacturing the timber and for meeting the fire precautionary terms of the agreement. [Reg. S–11]

§ 221.12 *Private sales of advertised timber* Forest officers may sell, within their authorization, any timber previously advertised for competitive bids but not sold because of lack of satisfactory bids, without further advertisement, at not less than the appraised value. [Reg. S–12]

§ 221.13 *Payment in advance of cutting; refunds and transfers.* Timber and forest products must be paid for in advance of cutting under any sale agreement or sale permit. Sums deposited in excess of amounts found to be due the United States may be refunded to original depositors, their local representatives, or to successors in interest.

Transfer of deposits may be made from one transaction to another of the same purchaser, or from the credit of the original depositor to a successor in interest, with the written consent of the original depositor or his legal representative. (34 Stat. 1270, 36 Stat. 1253; 16 U. S. C. 499) [Reg. S–13]

§ 221.14 *Bonds.* The officer approving any timber sale agreement may require the purchaser to furnish a performance bond for satisfactory compliance with its terms. [Reg. S–14]

§ 221.15 *Administration of sales.* No live timber shall be cut under any timber sale agreement or permit until marked or otherwise designated for cutting by a forest officer.

The volume of national forest timber in a sale may be determined by scaling, measuring, or counting the logs or other products, or by measuring the trees before cutting. If the agreement or permit provides for the determination of volume by tree measurement and the timber has been paid for, the marking or otherwise designating of the tree authorizes cutting and removal. Otherwise no timber cut under any contract shall be removed from the place designated until it has been scaled, measured, or counted by a forest officer, unless such removal is specifically authorized in the agreement.

No person except a forest officer shall stamp any timber belonging to the United States upon a national forest with the official marking ax or any instrument having a similar design, or otherwise mark or designate such timber for cutting or removal.

National forest timber sold on scale shall be scaled by the Scribner Decimal C Log Rule, or if the advertisement and agreement or permit so state, by the International ¼ inch log rule or by the cubic volume rule, each as used by the Forest Service. [Reg. S–15]

§ 221.16 *Modifications and transfers of agreement.* Timber sale agreements may be modified only when the modification will apply to unexecuted portions of the agreement and will not be injurious to the United States. Modifications permitted by this regulation may be made by the officer approving the sale, by his successor, or by his superior.

No timber sale agreement may be transferred or assigned unless the transferee or assignee is acceptable to the United States as a purchaser of timber under the conditions and requirements then in effect for similar timber sales. Each transfer or assignment shall be approved in writing by the officer approving the sale, by his successor, or by his superior. The timber sale agreement may grant the purchaser general authority to assign the agreement in trust as security, subject to such conditions as may be necessary for the protection of the public interests. [Reg. S–16]

§ 221.17 *Cancellation of agreements.* Timber sale agreements may be cancelled:

(a) For serious or continued violation of their terms.

(b) Upon application, or with the consent of, the purchaser, when such action is of advantage to the United States or not prejudicial to its interests.

(c) Upon application of the purchaser if the condition of the timber has changed materially due to some cause, such as a forest fire or insect infestation, for which the purchaser is not responsible.

Cancellation will be by the Chief, Forest Service, if the amount of the sale exceeded the Regional Forester's authorization and by the Regional Forester in all other cases. [Reg. S–17]

§ 221.18 *Breach of contract.* Action for breach of contract may be brought for violations of the sale agreement or where damages to the United States from violation of the agreement cannot be recovered otherwise. Such action will be brought only with the approval of the Chief, Forest Service. [Reg. S–18]

§ 221.19 *Sales of naval stores cuppage.* So far as applicable, the regulations governing timber sales will be followed in sales of naval stores cuppage.

The Chief, Forest Service, is authorized to make such sales for any amount on any national forest in accordance with established policies for management of the national forests and to delegate this authority for amounts not exceeding 200,000 cups in any one sale to Regional Foresters. Regional Foresters may delegate this authority to supervisors for amounts not exceeding 40,000 cups, in any one sale.

The Chief may authorize Regional Foresters to formally approve naval stores agreements and related papers in sales exceeding 200,000 cups, in which the conditions of sale have been previously approved by him. Emergency sales will not be made. [Reg. S–19]

§ 221.20 *Sales of other forest products.* The sale of forest products not specifically covered by other regulations will be conducted by forest supervisors under general instructions from the Regional Forester with reference to the class of material involved and the supervisor's maximum sale authorization. Sales exceeding $500 in value will be advertised in the same manner as timber sales. [Reg. S–20]

§ 221.21 *Sales of seized material.* Seized material may be sold to the highest bidder under specific authority from the regional forester. If advertisement is impractical, sales of material exceeding $500 in value will be made on informal bids. [Reg. S–21]

§ 221.22 *Sales at cost.* Mature, dead and down timber will be sold upon application, without advertisement, in any appropriate amount, to homestead settlers and farmers for domestic use on any homestead or farm, at the actual cost of making and administering such sales. Each permit for such a sale will specify practicable methods of fire prevention, cutting, slash disposal and other measures necessary to achieve the objectives of national forest timber disposal. The disposal of any part of such material for a money or other consideration, or in exchange for labor, services, or commodities furnished the purchaser in connection with its cutting, removal, or manufacture, or for any purpose except domestic use on the homestead or farm of the purchaser, is prohibited. If any of the foregoing requirements are violated, the sale will be terminated and the purchaser required to pay for all material cut at twice its appraised market value for stumpage.

The regional forester will determine from time to time the cost per thousand feet board measure, or other unit, of making and administering such sales, which amount will be used to determine the stumpage price for sales made under this section.

Regional foresters may approve sales in appropriate amounts for the uses stated in this section, and may authorize supervisors to make sales not exceeding 50,000 feet board measure or equivalent in any one sale. Supervisors may authorize rangers to make sales in any amount not exceeding 20,000 feet board measure, or its equivalent, in any one sale. (37 Stat. 287; 16 U. S. C. 489) [Reg. S–22]

§ 221.23 *Timber given in exchanges.* The Chief, Forest Service, is authorized to permit cutting of national forest timber obligated through approved exchanges under the Acts of March 20, 1922 (42 Stat. 465; 16 U. S. C. 485) and March 3, 1925 (43 Stat. 1215; 16 U. S. C. 516) or other laws authorizing the exchange of land for national forest timber and to delegate such authority to regional foresters. Cutting of exchange timber will be in accordance with the silvicultural, protection, and woods utilization requirements applicable to commercial sales of similar timber. The value of exchange timber will be determined by appraisals as in commercial sales. [Reg. S–23]

§ 221.24 *Administrative use for improvements, investigative use by Government, relief and nonprofit organizations; primarily of benefit to the applicant.* The Chief, Forest Service, may authorize the cutting or use of national forest timber without charge for the construction, maintenance or repair, of roads, bridges, trails, telephone lines, drift fences, recreation areas, or other improvements of value for the protection or administration of the national forests; for investigations; for use in relief work conducted by public agencies; or to meet the needs, for building, fuel, and similar uses but not for resale, of nonprofit organizations of unrestricted membership and furnishing services to the general public without distinctions between individuals, such as local governmental bodies including school districts, churches, and community organizations for community betterment.

This authority may be delegated to regional foresters for any amount not exceeding 5,000,000 board feet, or the equivalent, in any one transaction, who may delegate authority to subordinates for any amount not exceeding 1,000,000 board feet in any one transaction. All supervisors and forest officers in charge of Research Centers are authorized to issue permits not to exceed 20,000 board feet in any one transaction and may delegate this authority to subordinate officers. (37 Stat. 843; 16 U. S. C. 560) [Reg. S–24]

§ 221.25 *Administrative use for protection, stand improvement, or investigations; primarily of benefit to the timber stand.* The Chief, Forest Service, may dispose of timber, the use or removal of which is necessary to protect the forest from injury or to improve conditions of growth or for experimental use, by sale or without charge, as may be most advantageous to the United States.

This authority may be delegated to regional foresters, by them to supervisors, and supervisors and forest officers in charge of Research Centers are authorized and may delegate in each case for amounts not in excess of those which these officers are authorized to sell or delegate in commercial sales if payment is to be made for the timber, and when no payment is required, for amounts not in excess of the authorizations to these officers stated § 221.24. [Reg. S–25]

§ 221.26 *Free use by individuals.* Free use may be granted to bona fide settlers, miners, residents and prospectors for minerals, for firewood, fencing, building, mining, prospecting, and other domestic purposes. Free use of material to be employed in any business, as by sawmill operators or proprietors of stores, will be refused. The sale or exchange of timber or other forest products obtained under free use is prohibited.

Free use will be granted individuals primarily to aid in the protection and silvicultural improvement of the forests. Hence the material granted will, except in unusual cases, be restricted to dead, insect-infested, or diseased timber and thinnings. Other material may be granted in exceptional cases where its refusal would cause unwarranted hardship. On forests or parts of forests where limited supply or other conditions justify such action, the free use of green material may be refused.

Supervisors may designate portions or all of national forests as free-use areas, and may give public notice of their action. Settlers, miners, residents, and prospectors for minerals may cut and remove from these free-use areas, free of charge and without permit, under such rules as may be prescribed by the district ranger to prevent fire risks, injury to remaining timber, or confusion among users, any dead timber or any green timber previously marked or designated by forest officers for the purpose, needed for their own use for domestic purposes. Similar material may be cut outside of a free-use area without permit in cases of emergency, but the person taking such material shall promptly notify the district ranger; and small quantities of material needed by transients while in the forest may also be taken without permit; but the kinds of material so taken and the location and manner of cutting must be consistent with the purposes for which national forests are established. In all other cases permits will be required for green material.

Forest officers whom the supervisor may designate are authorized to grant free use of timber to individuals up to $20 in value in any one fiscal year. Supervisors may grant permits for material not exceeding $100 in value. Regional foresters may approve permits for larger amounts, and in times of emergency may delegate this authority to supervisors for not over $500 in value.

Prior review by the Chief of the Forest Service will be given if the amount involved exceeds $5,000 in value.

Regional Foresters may authorize supervisors to permit the removal of specific classes of material without scaling or measurement. [Reg. S–26]

§ 221.27 *Free use in Alaska.* Bona fide settlers, miners, residents, and prospectors for minerals in Alaska may take free of charge green or dry timber from the national forests in Alaska for personal use but not for sale. Permits will be required for green saw timber. Other material may be taken without permit. The amount of material granted to any one person in one year shall not exceed 10,000 board feet of saw timber and 25 cords of wood, or an equivalent volume in other forms. Persons obtaining material shall, on demand, forward to the supervisor a statement of the quantity taken and the location from which it was removed. [Reg. S–27]

§ 221.28 *Free use by other branches of the Federal Government.* National forest timber will be granted free of charge to other branches of the Federal Government when authorized by law. Permits may be approved by forest officers for amounts not greater than they are otherwise authorized to sell.

Permits for timber will require the cutting and removal to be done in accordance with the conditions in current timber sale contracts in order to preserve the living and growing timber, promote the younger growth, secure reproduction, and protect the forest from fire or other destructive agencies. The permittee may be required to report to the supervisor the amount of timber, by species, actually cut or may be required to furnish scalers for work under the direction of the forest officers in charge or, if authorized, to provide funds for the employment by the Forest Service of scalers to scale or measure the timber cut. The permittee may be required to dispose of the slash as cutting proceeds, or to employ men to work under the direction of a forest officer in disposing of the slash, or, if authorized, to provide funds for the employment of men for slash disposal under the direction of a forest officer. (38 Stat. 1100, sec. 13, 43 Stat. 1197; 16 U. S. C. 492) [Reg. S–28]

§ 221.29 *Timber settlement.* Permission may be granted to cut, damage, or destroy national forest timber without advertisement when necessary for the occupancy of a right of way or other authorized use of national forest land.

Payment will be required at the appraised market value of the timber, subject to a minimum rate equivalent to the estimated cost of administration, except:

(a) For timber the logging and sale of which are impracticable but which is necessarily killed or cut but not used by any permittee.

(b) For timber necessarily killed or cut in connection with land uses which are of benefit to the national forests.

(c) For timber necessarily killed or cut and used by the permittee which would have been granted free under other applicable regulations.

(d) For timber which will be cut by the permittee who cannot use the material, but which the forest officer can sell, under agreement or permit, to another party. (43 Stat. 1132; 16 U. S. C. 476) [Reg. S–29]

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed, in the City of Washington, this 9th day of December 1948.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 48–10368; Filed, Dec. 13, 1948; 8:52 a. m.]

TITLE 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans' Administration

PART 21—VOCATIONAL REHABILITATION AND EDUCATION

REGISTRATION AND RESEARCH; PROVISIONAL REGULATIONS

1. A new section, § 21.187, is added to Part 21 to read as follows:

§ 21.187 *Payment of book, supply, and equipment charges for United States veterans enrolled in courses of education under Public Law 346, 78th Congress, as amended, in Veterans' Administration-approved foreign educational institutions*—(a) *Policy.* (1) On and after January 1, 1949, foreign educational institutions (excluding those in the Philippine Republic) approved by the Veterans' Administration for the purposes of Title II of Public Law 346, 78th Congress, as amended, will no longer be required to furnish United States veterans with the books, supplies, and equipment generally required by the institution of all students similarly circumstanced, nor will they be required to assume any responsibility for billing the Veterans' Administration for such items required of students after that date. Prior to January 1, 1949, it will continue to be the responsibility of foreign educational institutions to furnish or make arrangements for furnishing such items in accordance with present requirements.

(2) On and after January 1, 1949, it will be the responsibility of the individual veteran to procure and to pay from personal funds the purchase or rental cost of all items of books, supplies, and equipment which he is required by the institution to procure in connection with the course or courses he is pursuing. If it is the customary practice of the institution to furnish students with any of the required items on a rental basis, then reimbursement may be claimed for only the customary rental charge for such items. On and after that date it will also be the responsibility of the individual veteran to make claim upon the Veterans' Administration for reimbursement for such payments in the manner prescribed in Vocational Rehabilitation and Education procedures. (See sec. A, VA Form 7–1964.)

(3) In the application of this policy there will be no relaxing of Veterans' Administration requirements with regard to payments for books, supplies, and equipment as set forth in Veterans Administration Vocational Rehabilitation and Education procedures, and/or amplifying or implementing instructions issued pursuant thereto. The Veterans' Administration will not authorize payment for any such items in the absence of satisfactory evidence that they are generally required by the institution concerned of all students similarly circumstanced. The mere fact that the institution or the veteran considers an item as "desirable" or "necessary" will not meet Veterans Administration requirements as to approval for payment. It will be incumbent upon the institution to substantiate and verify the veteran's claim by furnishing the Veterans' Administration with adequate assurance that all items for which the veteran is requesting reimbursement were generally required of all students similarly circumstanced. (See sec. B, VA Form 7–1964.) (58 Stat. 287–291; 38 U. S. C. 701, ch. 12 note)

[SEAL] O. W. CLARK,
Executive Assistant Administrator.

[F. R. Doc. 48–10346; Filed, Dec. 13, 1948; 8:49 a. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

[Circular 1703]

PART 281—RESURVEYS

PURPOSE OF ACT

Section 281.2 is revised to read as follows:

§ 281.2 *Purpose of act.* The real interest of the Government in the resurvey of the public lands is well stated in the said act of March 3, 1909, "to properly mark the boundaries of the public lands remaining undisposed of." Its duty being thus defined, the Bureau of Land Management will refrain from attempting to do more in the relocation of the corners of privately owned lands in a township being resurveyed than to reestablish such corners from the best available evidence of the original survey. (R. S. 453, 2478; 43 U. S. C. 2, 1201)

MARION CLAWSON,
Director.

Approved: December 7, 1948.

MASTIN G. WHITE,
Acting Assistant Secretary of the Interior.

[F. R. Doc. 48–10326; Filed, Dec. 13, 1948; 8:45 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter II—Office of Defense Transportation

PART 500—CONSERVATION OF RAIL EQUIPMENT

CARLOAD FREIGHT TRAFFIC

CROSS REFERENCE: For an exception to the provisions of § 500.72, see Part 520 of this chapter, *infra.*

[Special Direction ODT 18A–1, Amdt. 14]

PART 520—CONSERVATION OF RAIL EQUIPMENT; EXCEPTIONS, PERMITS, AND SPECIAL DIRECTIONS

CARLOAD FREIGHT TRAFFIC

Pursuant to the provisions of § 500.73 of General Order ODT 18A, Revised, as amended, Special Direction ODT 18A–1, as amended (8 F. R. 14481, 9 F. R. 117, 7535; 10 F. R. 12456, 12747; 11 F. R. 9084, 10662, 12183; 12 F. R. 105; 13 F. R. 779, 2174, 3278, 5238, 6286) is hereby further amended by striking Items 845 and 846 thereof, by adding Item 847 to read as shown below, and by changing Items 740, 900, and 905 thereof to read as also shown below: (Item 740 relates to the loading of paper, groundwood, newsprint, and rotogravure; fibre content consisting of not less than 60 per cent groundwood. Items 845 and 846 relate to the loading of roofing materials and sidings, respectively. Items 900 and 905 relate to the loading of petroleum and petroleum products.)

740. (b) In rolls, 45 inches to but not including 55 inches in width, shall be loaded not less than one tier high, on ends, occupying the maximum floor space of the car, subject to Note 1, Item 760.

* * * * *

847. *Roofings, sidings, or shingles.* Composition or prepared, asphalt or asbestos, straight or mixed carloads, shall be loaded to a weight not less than 45,000 pounds.

* * * * *

900. (a) Straight carload shipments of commodities in packages, in fibre cartons, not listed in Item 910 (c) to 935 (h), inclusive, shall be loaded to a weight not less than 50,000 pounds.

905. (b) Mixed carload shipments consisting of commodities packed in drums, cartons, or buckets, shall be loaded to a weight not less than 35,000 pounds.

Except as to the change made in Item 740, this Amendment 14 to Special Direction ODT 18A–1 shall become effective December 11, 1948. The change in Item 740 shall become effective December 15, 1948.

(54 Stat. 676, 55 Stat. 236, 56 Stat. 177, 58 Stat. 827, 59 Stat. 658, 60 Stat. 345, 61 Stat. 34, 321, Pub. Laws 395, 606, 80th Cong., 50 U. S. C. App. 633, 645, 1152; E. O. 8989, Dec. 18, 1941, 6 F. R. 6725; E. O. 9389, Oct. 18, 1943, 8 F. R. 14183; E. O. 9729, May 23, 1946, 11 F. R. 5641, E. O. 9919, Jan. 3, 1948, 13 F. R. 59; General Order ODT 18A, Revised, as amended, 11 F. R. 8229, 8829, 10616, 13320, 14172; 12 F. R. 1034, 2386; 13 F. R. 2971)

Issued at Washington, D. C., this 9th day of December 1948.

L. A. CHRISTIANSEN,
Director, Railway Transport Department, Office of Defense Transportation.

[F. R. Doc. 48–10845, Filed, Dec. 13, 1948; 8:49 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR, Part 971]

HANDLING OF MILK IN THE DAYTON-SPRINGFIELD, OHIO, MARKETING AREA

DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND TO AMENDMENT TO ORDER, AS AMENDED

Pursuant to Public Act No. 10, 73d Congress (May 12, 1933) as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act") and the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders (7 CFR, Supps. 900.1 et seq., 12 F. R. 1159, 4904) a public hearing was held at Dayton, Ohio, on November 22, 1948, upon certain proposed amendments to the marketing agreement heretofore tentatively approved by the Secretary of Agriculture, and to the order, as amended, regulating the handling of milk in the Dayton-Springfield, Ohio, marketing area.

Preliminary statement. The proposed amendments upon which the hearing was held were submitted by the Miami Valley Cooperative Milk Producers' Association.

The material issues presented on the record of hearing were:

(1) The establishment of price levels below which prices for Class I and Class II milk would not be permitted to decline during the next few months but not beyond March 1949;

(2) The need for emergency action which warrants immediate effectuation of revisions in the order.

Findings and conclusions. The following findings and conclusions on the material issues are based upon the evidence introduced at the hearing and the record thereof:

(1) The Class I milk and Class II milk prices should not be less than $4.70 per hundredweight and $4.40 per hundredweight, respectively, from the effective date of this amendment through January 1949. For the month of February 1949, the Class I milk price should be not less than $4.48 and the Class II milk price should be not less than $4.18.

Prices of Class I and Class II milk under the Dayton-Springfield order declined 71.5 cents per hundredweight between July 1–31 and October 1–15 this year. This decline was the result of a corresponding decline in the condensery price level (prices paid farmers by 18 milk manufacturing plants in Wisconsin and Michigan) which was the effective "basic formula price" computed pursuant to the order. Such decline occurred during months when both farm prices for the fluid milk market and for condensery milk could be expected to increase seasonally. Data in the record for 1940–1947 indicate seasonal increases in condensery prices between July and October in each year. The average July to October increase in this period was approximately 10.5 percent. Conversely, prices for the October 1–15 period in 1948 declined slightly more than 16 percent from the July level. This contra-seasonal movement of prices, happening at a time of the year when production costs normally increase, has caused considerable uncertainty as to price movements and levels in the next few months in the Dayton-Springfield milkshed.

It was proposed that the Class I and Class II prices be held until the end of March 1949 at minimum levels equivalent to those for the month of September 1948. In this connection, it may be noted from the record that there has been a substantial increase in the amount of milk received from producers in recent months as compared with the corresponding period of 1947. During May to September producer receipts increased more than 4,500,000 pounds over the same five-month period in 1947. On the other hand, gross Class I utilization increased slightly less than 1,500,000 pounds. The increase in producer receipts was 3 times greater than the increase in Class I utilization. Producer numbers in September 1948 had increased over the level of September 1947 by 3 per cent. From these data, it appears that at the producer price levels in effect substantial gains in milk production relative to fluid milk needs have been made this year. However, it appears that the amount of inspected milk will not be sufficient to meet the entire Class I and Class II requirements of all handlers this fall.

Conditions are generally more favorable to milk production in the milkshed this fall as compared with a year ago. There has been a substantial decline in protein feed prices recently. However, beef cattle and hog prices remain relatively high compared with milk prices. In spite of a decrease in protein feed prices with the harvesting of 1948 feed crops and the availability of record quantities of feed per animal, milk production costs are being maintained at relatively high levels by current hay prices, present wage levels for farm labor, and recent increases in farm machinery prices. The unfavorable ratio shown between milk prices and feed prices for recent months follows a long period characterized by an unfavorable ratio. Because of support price programs in operation, it appears unlikely that further declines of a substantial nature in feed prices will occur during the coming winter months. The decline of about 16 per cent in the basic formula price which has taken place since July endangers the more favorable milk-feed ratio of the last few months. Further decreases currently in the Class I and Class II prices

by this means conceivably could destroy the temporary advantages gained and tend to discourage milk deliveries.

In view of the fact that production has increased over last year and has increased substantially more than the increase in sales of Class I milk, it is not considered appropriate to increase prices to the level which prevailed in September. Instead it is concluded that a further contraseasonal decline through the operation of the current formula should be prevented by maintaining minimum Class I and Class II prices at approximately the October 1–15 level for the coming months of December 1948 and January 1949.

In order to mitigate the possibility of a contraseasonal price situation as the spring production season approaches, it is concluded further that the minimum Class I and Class II prices should be maintained at a somewhat lower level for February 1949 (22 cents per hundredweight less) and that the formula should operate without restriction after such month.

(2) An emergency exists which requires that action be taken promptly to amend the order to effectuate the findings and conclusions set forth above without allowing time for a recommended decision by the Assistant Administrator, Production and Marketing Administration, and the filing of exceptions thereto. The due and timely execution of the functions of the Secretary of Agriculture under the act imperatively and unavoidably requires the omission of such recommended decision and the filing of exceptions thereto.

The testimony showed that under prevailing conditions a further decline in the Class I and Class II prices at this time would have a serious impact on returns for milk produced for the marketing area. Any further delay in effectuating the needed changes in the order would seriously threaten an adequate supply of pure and wholesome milk for the Dayton-Springfield marketing area, would disrupt orderly marketing and would be contrary to the public interest. The timely issuance of the amending order requires the omission of the recommended decision and the filing of exceptions thereto.

(3) General:

(a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(b) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, regulate the handling of milk in the same manner and are applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which hearings have been held; and

(c) The prices calculated to give milk produced for sale in the said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8e of the act are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for such milk, and the minimum prices specified in the proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

Determination of representative period. The month of September 1948 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of an order amending the order, as amended, regulating the handling of milk in the Dayton-Springfield, Ohio, marketing area in the manner set forth in the attached amending order is approved or favored by producers who during such representative period were engaged in the production of milk for sale in the marketing area specified in such marketing order, as amended.

Marketing agreement and order. Annexed hereto and made a part hereof are two documents entitled "Order Amending the Order, As Amended, Regulating the Handling of Milk in the Dayton-Springfield, Ohio, Marketing Area" and "Marketing Agreement Regulating the Handling of Milk in the Dayton-Springfield, Ohio, Marketing Area" which have been decided upon as the appropriate and detailed means of effecting the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders have been met.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the attached order amending the order, as amended, which will be published with the decision.

This decision filed at Washington, D. C., this 8th day of December 1948.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

Order[1] Amending the Order as Amended, Regulating the Handling of Milk in the Dayton-Springfield, Ohio, Marketing Area

§ 971.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary to and in addition to the findings and determinations made in connection with the issuance of this order and of each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to Public Act No. 10, 73d Congress (May 12, 1933) as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act") and the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders (7 CFR, Supps. 900.1 et seq., 12 F. R. 1159, 4904), a public hearing was held upon certain proposed amendments to the tentatively approved marketing agreement and to the order, as amended, regulating the handling of milk in the Dayton-Springfield, Ohio, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions of said order, as amended, and as hereby further amended, will tend to effectuate the declared policy of the act;

(2) The prices calculated to give milk produced for sale in said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8e of the act are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for such milk, and the minimum prices specified in the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which hearings have been held.

Order relative to handling. It is therefore ordered that on and after the effective date hereof, the handling of milk in the Dayton-Springfield, Ohio, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended; and the aforesaid order, as amended, is hereby further amended as follows:

1. Delete from § 971.5 (b) (1) the proviso contained therein and substitute therefor the following: "*Provided,* That such price for Class I milk shall be not less than $4.70 from the effective date of this amendment through January 31, 1949; and not less than $4.48 for the delivery period of February 1949."

2. Delete from § 971.5 (c) (1) the proviso contained therein and substitute therefor the following: "*Provided,* That such price for Class II milk shall be not less than $4.40 from the effective date of this amendment through January 31, 1949; and not less than $4.18 for the delivery period of February 1949."

[F. R. Doc. 48-10336; Filed, Dec. 13, 1948; 8:47 a. m.]

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders have been met.

CIVIL AERONAUTICS ADMINISTRATION

[14 CFR, Part 531]

SEIZURE OF AIRCRAFT

NOTICE OF PROPOSED RULE MAKING

Sections 901 (b) and 903 (b) of the Civil Aeronautics Act of 1938, as amended, provide that any person who violates any provision of Titles V, VI, or VII of the act, or section 11 (a) (1) of the Air Commerce Act of 1926, as amended, shall be subject to a civil penalty for each such violation; that any such penalty may be compromised by the Administrator of Civil Aeronautics; that in case an aircraft is involved in any such violation and the violation is by the owner or person in command of the aircraft, such aircraft shall be subject to a lien for the penalty; that any civil penalty imposed under the act may be collected in case the penalty is a lien, by proceedings in rem against the aircraft; that any aircraft subject to such lien may be summarily seized by, and placed in custody of, such persons as the Administrator of Civil Aeronautics may by regulation prescribe, and a report of the cause shall thereupon be transmitted to the United States Attorney for the judicial district in which the seizure is made; that the United States Attorney shall promptly institute proceedings for the enforcement of the lien, or notify the Administrator of Civil Aeronautics of his failure so to act; and that the aircraft shall be released from such custody upon payment of the penalty or the amount agreed upon in compromise, or seizure in pursuance of process of any court in proceedings in rem for enforcement of the lien, or notification by the United States Attorney of failure to institute such proceedings, or deposit of a bond in such amount and with such sureties as the Administrator of Civil Aeronautics may prescribe, conditioned upon payment of the penalty or the amount agreed upon in compromise. Acting pursuant to the foregoing sections of the Civil Aeronautics Act of 1938, as amended, and in accordance with sections 3 and 4 of the Administrative Procedure Act, notice is hereby given that adoption of the following revised Part 531 is contemplated. All interested persons who desire to submit comments and suggestions for consideration by the Administrator of Civil Aeronautics in connection with the proposed part, shall send them to the Civil Aeronautics Administration, Office of the General Counsel, Washington 25, D. C., within 15 days after publication of this notice in the FEDERAL REGISTER.

PART 531—SEIZURE OF AIRCRAFT

Sec.
531.1 Authority to seize aircraft.
531.2 Notice of seizure.
531.3 Custody of seized aircraft.
531.4 Report of seizure.
531.5 Release of seized aircraft.

AUTHORITY: §§ 531.1 through 531.5 issued under secs. 901 (b), 903 (b), 52 Stat. 1015, 1017; 49 U. S. C. 621, 623; Reorg. Plans III and IV of 1940, 3 CFR, Cum. Supp., Chapter IV, 5 F. R. 2107, 2421.

§ 531.1 *Authority to seize aircraft.* Whenever an aircraft is involved in a violation of any provision of Titles V VI, or VII of the Civil Aeronautics Act of 1938, as amended, or of section 11 (a) (1) of the Air Commerce Act of 1926, as amended, and the violation is committed by the owner or person in command of the aircraft, such aircraft may be summarily seized by persons authorized in an order of seizure issued by the Regional Administrator of the Region in which the aircraft is located at the time the order is issued.

§ 531.2 *Notice of seizure.* Whenever an aircraft is seized pursuant to this part, a written notice shall be sent without delay by the Regional Administrator to the registered owner of the aircraft, informing the owner:

(a) That the aircraft has been seized;

(b) The time, date, and place of seizure;

(c) The name and address of the custodian of the aircraft;

(d) The reasons for the seizure, including the violation judicially determined or believed to have been committed, and by whom;

(e) The amount of the civil penalty which has been imposed by a Federal court as a result of the violation, or the amount of a civil penalty compromise which will be accepted by the Civil Aeronautics Administration as a result of the alleged violation, and

(f) The conditions under which the seized aircraft shall be released.

If the aircraft is in the custody of a person other than the registered owner at the time it is seized, a copy of the notice of seizure shall also be sent to such person.

§ 531.3 *Custody of seized aircraft.* Whenever an aircraft is seized pursuant to this part, it shall be placed in the nearest available adequate public storage facility in the judicial district in which the seizure is made.

§ 531.4 *Report of seizure.* Whenever an aircraft is seized pursuant to this part, a report including a complete statement of the record of the case shall be transmitted immediately by the Regional Administrator to the United States Attorney for the judicial district in which the seizure is made, requesting the United States Attorney to institute proceedings for the enforcement of the lien.

§ 531.5 *Release of seized aircraft.* Whenever an aircraft is seized pursuant to this part, it shall be released by direction of the Regional Administrator under any one of the following conditions:

(a) Upon payment of the civil penalty or the amount agreed upon in compromise, including costs incurred in connection with the seizure and storage of the aircraft;

(b) Upon seizure of the aircraft pursuant to process of a Federal court in proceedings in rem for enforcement of a lien against the aircraft, or notification by the United States Attorney of failure to institute such proceedings; or

(c) Upon deposit of a bond in such amount and with such sureties as the Regional Administrator may prescribe, conditioned upon payment of the penalty or the amount agreed upon in compromise, including costs incurred in connection with seizure and storage of the aircraft.

[SEAL] D. W. RENTZEL,
Administrator of Civil Aeronautics.

[F. R. Doc. 48-10841; Filed, Dec. 13, 1948; 8:48 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Office of the Secretary

STOCKBRIDGE INDIAN RESERVATION, WISCONSIN

PROCLAMATION ADDING CERTAIN LANDS

By virtue of authority contained in section 7 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984) the lands described below, acquired by purchase under the provisions of section 5 of that act, for the use and benefit of the Stockbridge and Munsee Band of Mohican Indians of Wisconsin, are hereby added to and made a part of the existing reservation established March 19, 1937:

T. 28 N., R. 13 E., 4th P. M.
Sec. 2, S½SE¼.
Sec. 2, SE¼SW¼, excepting the mineral rights reserved to the Brooks & Ross Lumber Company.
Sec. 8, E½SE¼.
Sec. 9, W½SE¼.
Sec. 11, E½SW¼.
Sec. 16, W½, NE¼, N½SE¼, SE¼SE¼.
Sec. 17, E½E½.
Sec. 20, E½NE¼.

All of said lands being within Shawano County, Wisconsin, containing 1,200 acres, more or less.

J. A. KRUG,
Secretary of the Interior.

DECEMBER 7, 1948.

[F. R. Doc. 48-10827; Filed, Dec. 13, 1948; 8:46 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 3336]

SERVICOS AEREOS CRUZEIRO DO SUL, LTDA.

NOTICE OF POSTPONEMENT OF ORAL ARGUMENT

In the matter of the application of Servicos Aereos Cruzeiro do Sul, Ltda., under section 402 of the Civil Aeronautics Act of 1938, as amended, for a foreign air carrier permit authorizing the foreign air transportation of persons, property, and mail between the United States and Brazil.

Notice is hereby given pursuant to the Civil Aeronautics Act of 1938, as amended, particularly sections 402 and 1001 of said act, that oral argument in

the above-entitled proceeding now assigned to be held on December 16, 1948, is hereby postponed until further notice.

Dated at Washington, D. C., December 8, 1948.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN, *Secretary.*

[F. R. Doc. 48-10844; Filed, Dec. 13, 1948; 8:48 a. m.]

FEDERAL POWER COMMISSION

MYSTIC POWER CO.

NOTICE OF ORDER AUTHORIZING DISPOSITION OF AMOUNT CLASSIFIED IN ACCOUNT 107, ELECTRIC PLANT ADJUSTMENTS

DECEMBER 9, 1948.

Notice is hereby given that, on December 8, 1948, the Federal Power Commission issued its order entered December 7, 1948, authorizing disposition of amount classified in Account 107, Electric Plant Adjustments, in the above-designated matter.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 48-10839; Filed, Dec. 13, 1948; 8:48 a. m.]

[Docket Nos. G-962, G-854]

ATLANTIC SEABOARD CORP. ET AL.

NOTICE OF FINDINGS AND ORDER ISSUING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

DECEMBER 9, 1948.

In the matters of Atlantic Seaboard Corporation and Virginia Gas Transmission Corporation, Docket No. G-854, Tennessee Gas Transmission Company, Docket No. G-962.

Notice is hereby given that, on December 8, 1948, the Federal Power Commission issued its findings and order entered December 7, 1948, issuing certificate of public convenience and necessity in the above-designated matters.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 48-10838; Filed, Dec. 13, 1948; 8:48 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File Nos. 54-25, 59-11, 59-17]

UNITED LIGHT AND RAILWAYS CO. ET AL.

ORDER GRANTING APPLICATION AND PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 7th day of December A. D. 1948.

In the matter of the United Light and Railways Company, American Light & Traction Company, et al., File Nos. 59-11, 59-17, 54-25.

The United Light and Railways Company ("Railways") a registered holding company, parent of American Light & Traction Company ("American Light"), also a registered holding company, having filed an application-declaration, and amendments thereto, in accordance with the applicable provisions of the Public Utility Holding Company Act of 1935 ("act") and the rules and regulations promulgated thereunder with respect to the following transactions:

On December 30, 1947, the Commission entered an order approving a plan filed pursuant to the provisions of section 11 (e) of the act, by Railways and American Light, which plan provides, among other things, that during 1948 American Light will distribute to its stockholders quarterly as dividends shares of common stock of the Detroit Edison Company ("Detroit Edison") on the basis of one share of such stock for each seventy-five shares of American Light common stock owned. The plan also provides that on or before December 31, 1948, Railways, the owner of a large block of common stock of American Light, shall dispose of all shares of stock of Detroit Edison received through such dividend distributions. Railways states that it has received 78,270 shares of Detroit Edison common stock as dividends and that such shares constitute all of the Detroit Edison stock owned by Railways. Railways proposes to sell the said 78,270 shares of Detroit Edison common stock at competitive bidding pursuant to the requirements of Rule U-50. The net proceeds are to be applied to the reduction of bank loans outstanding under Railways' Loan Agreement dated November 24, 1945, as amended. In connection with such sale applicant-declarant requests authority to purchase on the New York Stock Exchange and Detroit Stock Exchange such number of shares of Detroit Edison within a specified period as may be appropriate to stabilize the price of such stock. All shares purchased for stabilization purposes are to be sold through ordinary brokerage channels.

Said application-declaration also requests that the bidding period provided by Rule U-50 be shortened from 10 days to 6 days and that the order with respect to said application-declaration become effective forthwith; and

Appropriate notice of said filing of the application-declaration, as amended, and an opportunity to request a hearing with respect thereto having been duly given and the Commission not having received a request for a hearing with respect to said application-declaration within the period specified within said notice, or otherwise, and not having ordered a hearing thereon; and

The Commission having in its order of December 30, 1947, reserved jurisdiction over accounting treatment with respect to the various transactions proposed in said section 11 (e) plan and the Commission deeming it appropriate to continue the jurisdiction heretofore reserved in its order of December 30, 1947; and

The Commission finding that no adverse findings are necessary with respect to the proposed sale of Detroit Edison, and deeming it appropriate in the public interest and in the interest of investors and consumers to grant said application-declaration, the request for shortening of the bidding period and the acceleration of the effectiveness of the Commission's order, subject to the conditions specified herein:

It is ordered, Subject to the terms and conditions prescribed in Rule U-24 of the general rules and regulations promulgated under the act, that the application-declaration, as amended, be, and it hereby is, granted and permitted to become effective forthwith, subject, however, to the condition that the sale by Railways of 78,270 shares of the common stock of Detroit Edison shall not be consummated until the results of competitive bidding have been made a matter of record in these proceedings and a further order entered by this Commission in the light of the record so completed, which order may contain such further terms and conditions as may then be deemed appropriate, jurisdiction being hereby reserved for this purpose.

It is further ordered, That the 10 day period for inviting bids as provided in Rule U-50 be, and hereby is, shortened to a period of not less than 6 days, that the jurisdiction heretofore reserved in the Commission's order of December 30, 1947, over the accounting treatment with respect to the transactions proposed in said application-declaration be, and it hereby is continued.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 48-10823; Filed, Dec. 13, 1948; 8:46 a. m.]

[File No. 70-2004]

PENNSYLVANIA ELECTRIC CO. AND ASSOCIATED ELECTRIC CO.

ORDER GRANTING JOINT APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 7th day of December 1948.

Associated Electric Company ("Aelec"), a registered holding company, and its subsidiary, Pennsylvania Electric Company ("Penelec") having filed a joint application, as amended, pursuant to sections 6 (b) 9 (a) and 10 of the Public Utility Holding Company Act of 1935 ("act") with respect to the following transactions:

Penelec will issue and sell 80,000 shares of its $20 par value common stock to Aelec for an aggregate consideration of $1,600,000 in cash. The proceeds from the sale of the stock will be applied to the general construction program of Penelec.

Such joint application, as amended, having been duly filed, and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for hearing with respect to said joint application, as amended, within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

It appearing that the Pennsylvania Public Utility Commission has issued a securities certificate authorizing Penelec

to issue the 80,000 shares of its common stock; and

The Commission finding that the requirements of the applicable provisions of the act are satisfied, and deeming it appropriate in the public interest and in the interests of investors and consumers that said joint application, as amended, be granted, and deeming it appropriate to grant a request of applicants that the order become effective at the earliest date possible:

It is hereby ordered, Pursuant to Rule U-23 and the applicable provisions of the act, and subject to the terms and conditions prescribed in Rule U-24, that the joint application, as amended, be, and the same hereby is, granted and the proposed transactions may be consummated forthwith.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 48-10830; Filed, Dec. 13, 1948; 8:46 a. m.]

[File No. 52-19]

PORTLAND ELECTRIC POWER CO.

MEMORANDUM OPINION AND SUPPLEMENTAL ORDER APPROVING TRANSACTIONS

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C. on the 7th day of December A. D. 1948.

On July 9, 1948 an application was filed with the Commission by certain owners of Collateral Trust Bonds of Portland Electric Power Company ("PEPCO") for issuance herein of an order under Supplement R and section 1808 (f) of the Internal Revenue Code, as amended.[1] The underlying facts are as follows:

PEPCO was a registered holding company under the Public Utility Holding Company Act of 1935. Prior to the institution of proceedings by us under section 11 (b) of said act, the company filed a voluntary petition for reorganization under Chapter X of the Bankruptcy Act as amended, in the District Court of the United States for the District of Oregon. In due course a number of plans of reorganization were submitted to us for approval pursuant to the provisions of section 11 (f) of the Holding Company Act. On July 1, 1944 we disapproved all plans then before us because we found that the valuation of the debtor's assets made by the various proponents was either too high or too low. We made an independent valuation of the assets and suggested certain provisions which the plan should contain in order to satisfy our opinion.[2]

Thereafter, one of the proponents, Guaranty Trust Company of New York ("Guaranty") indenture trustee for the bondholders, submitted an amended plan and a second amended plan purporting to conform with our findings and opinion of July 1, 1944; and the proponent requested that our order contain a finding, pursuant to sections 371–373 of the Internal Revenue Code, as amended, that the various transactions incident to consummation of the amended plan are appropriate to effectuate the provisions of section 11 (b) of the Holding Company Act. We found Guaranty's second amended plan to be fair and equitable and feasible, and we approved same subject to certain reservations of jurisdiction, including the following:

That jurisdiction be and the same hereby is reserved to issue a supplemental order or orders, in the event that the District Court confirms the plan, in confirmity with the provisions of Supplement R to the Internal Revenue Code as amended.[3]

The foregoing second amended plan of Guaranty contained, among other things, certain provisions relating to pending litigation. Thereafter said litigation was settled; following which Guaranty filed a request for rescission of the Commission's order of December 7, 1944 and for withdrawal of its second amended plan. New plans were submitted by the Independent Trustees and by Guaranty. By order entered October 24, 1945 we set aside our aforesaid order of December 7, 1944, permitted Guaranty to withdraw its second amended plan, and issued notice of hearings on the new plans then proposed.[4]

Five new plans were proposed, three by the Independent Trustees and two by Guaranty. The Trustees' amended plan, and their first alternative amended plan, provided for the reorganization and survival of PEPCO, with this qualification:

PEPCO will, subsequent to the effective date of the plan, acquire the assets of PGE by dissolution or liquidation of PGE or by consolidation or merger of PGE with PEPCO, and PEPCO will assume the liabilities of PGE, said transfer of assets or consolidation to be effected as of January 1, 1948, or with the approval of the Court may be accomplished sooner.

The Trustees' second alternative amended plan provided for the liquidation and dissolution of PEPCO, as did also the two revised plans submitted by Guaranty.

In our Findings and Opinion, we disapprove the two revised plans of Guaranty, the first because the valuation of the estate was inadequate, and the second because of the expense involved in the proposed sale of assets. We found that the valuation of the estate by the Independent Trustees was one which we could accept; but we rejected their first two plans for reasons which we stated as follows:

Under the Public Utility Holding Company Act of 1935, we cannot approve a plan which, even if otherwise appropriate, contravenes the integration or corporate simplification standards of section 11 of the act.

The proposals contained in both the Trustees' amended plan and the Trustees' first alternative plan do not comply with the foregoing standards * * *

* * * the retention even for a limited time of PEPCO as a separate corporate entity over PGE is uneconomic and unjustified. PEPCO has never performed any economic function with relation to PGE, and in the future it would be a mere shell, without staff and without credit, superimposed over PGE as its sole subsidiary. Thus, its continued existence as a holding company would be inimical to the standards of section 11 (b) (2).[5]

We approved the Trustees' second alternative plan, which provided for the immediate dissolution of PEPCO, as fair, equitable and feasible, subject to terms and conditions, one of which made provision for the sale of portfolio securities in lieu of distribution in kind. Upon sale by the Trustees of certain securities as contemplated in our order, we entered a supplemental order on December 10, 1946 readjusting the allocations to meet this situation.[6] This plan, as so modified, was confirmed by the District Court on February 6, 1947, and was thereafter affirmed on appeal.[7] It became effective as of February 2, 1948.

In our opinion and order approving the Trustees' second alternative plan, we again reserved jurisdiction to issue a supplemental order or orders, in the event that the District Court should confirm the plan as amended, in conformity with the provisions of Supplement R.

The plan having been confirmed by the courts, distribution is now being made thereunder, and we have been requested to issue an order under Supplement R as aforesaid.

Our attention is called to a ruling by the Commissioner of Internal Revenue in a letter addressed to the Trustees on May 21, 1948 in which the Bureau of Internal Revenue holds that "the consummation of the plan will effect a complete liquidation of Portland (PEPCO) and, therefore, will not come within the provisions of section 112 (b) (10) of the Internal Revenue Code"[8] and that gains or losses will be determined for the various distributees as of the effective date of the exchange under the plan, and not as of date when they may dispose of the securities received, which would be the case if Supplement R were applicable to the situation.

The Trustees have taken the position that the reorganization of PEPCO was a bankruptcy reorganization and not one initiated by this Commission under section 11 (b) of the Holding Company Act; that the only reports made by us were upon reference for advisory opinions, as provided in the reorganization statute; and that they "do not consider that it was ever appropriate and that it is not now appropriate for the inde-

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[1] 26 U. S. Code, sections 371–373, 1808 (f).

[2] Portland Electric Power Company, — S. E. C. — (July 1, 1944), Holding Company Act Release No. 5132.

[3] Portland Electric Power Company, — S. E. C. — (December 7, 1944), HCA Release No. 5470.

[4] Portland Electric Power Company, HCA Release No. 6165.

[5] Portland Electric Power Company, — S. E. C. — (January 14, 1946), HCA Release No. 6365.

[6] Portland Electric Company, — S. E. C. — (1946), HCA Release No. 7057.

[7] Petition of Portland Electric Power Company, 162 Fed. 2d 618 (C. C. A. 9, 1947); cert. den. 332 U. S. 837 (1947).

[8] Section 112 (b) (10) of the Internal Revenue Code provides that "no gain or loss shall be recognized if property of a corporation is transferred in a proceeding under Chapter X of the National Bankruptcy Act, as amended, to another corporation organized or made use of to effectuate a plan of reorganization approved by the court in such proceeding, in exchange solely for stock or securities of such other corporation."

pendent trustees, their attorney, or the court to request the Securities and Exchange Commission for an order as authorized under section 371 of Supplement R" They have interposed no objection, however, to the pending application made by former bondholders of PEPCO, who now seek a determination of their application so that they may make appropriate adjustments in their investment portfolios before the end of the present calendar year.

We do not agree that, where registered holding companies and their subsidiaries are the subject of proceedings under Chapter X of the Bankruptcy Act, our office is merely advisory, as provided in sections 171–173 thereof with respect to other corporations. Section 11 (f) of the Holding Company Act gives to the Commission a special status in any proceeding in a court of the United States "in which a receiver or trustee is appointed for any registered holding company or any subsidiary company thereof" In any such proceeding a reorganization plan for a registered holding company or any subsidiary company thereof may not become effective unless approved by us after opportunity for hearing prior to its submission to the court; and notwithstanding any other provision of law, any such reorganization plan may be proposed in the first instance by this Commission. In determining whether we shall approve or disapprove reorganization plans submitted to us under section 11 (f) we apply the standards laid down for our guidance in section 11 (b) and other applicable sections of the Holding Company Act, since it is obvious that it would be improper to approve the setting up of a corporate entity or capital structure which we would thereafter be required to alter in a proceeding under the Holding Company Act.[9] Indeed, the very purpose of section 11 (f) is to see that in reorganizations compelled by law in this area, the standards laid down by Congress in the Holding Company Act shall be satisfied.

We come now to consider whether we may properly issue an order in conformity with the provisions of Supplement R to the Internal Revenue Code as amended. Subject to refinements and exceptions not here necessary to elaborate, section 371 of the Supplement provides that:

> No gain or loss shall be recognized to the transferor if stock or securities in a corporation which is a resigtered holding company or a majority-owned subsidiary company are transferred to such corporation or to an associate company thereof which is a registered holding company or a majority-owned subsidiary company—in exchange for stock or securities—and the exchange is made by the transferee corporation in obedience to an order of the Securities and Exchange Commission.

Under the plan herein approved, bonds and prior preference and first preferred stock of PEPCO were exchanged for cash[10] and common stock of PGE, a wholly-owned subsidiary of PEPCO; and it is with respect to such exchanges that the applicants desire whatever present tax benefits the law may allow. The theory of the law, of course, is that such forced exchanges merely change the form of the security, and that the taxpayer should not be required to account for his taxable gains until he has actually sold his substituted security.

Section 371 (f) of the Supplement allows postponement of accounting for capital gains only if (1) our order in obedience to which the exchange was made recites that such exchange is necessary or appropriate to effectuate the provisions of section 11 (b) of the Holding Company Act, (2) such order specifies and itemizes the several transactions, and (3) such exchange was made in obedience to such order and was completed within the time prescribed therefor.

The question is therefore sharply raised whether, in the instant case, the exchanges were in obedience to an order issued by us to effectuate the provisions of section 11 (b) of the Holding Company Act, or whether the exchanges were compelled, in any event, by order of the Court under Chapter X of the Bankruptcy Act.

Section 373 (a) of Supplement R defines the term "order of the Securities and Exchange Commission" to be "an order * * * which requires, authorizes, permits, or approves transactions described in such order to effectuate the provisions of section 11 (b) of the Public Utility Holding Company Act of 1935."

Our attention is called to § 29.373–1 of the regulations promulgated by the Treasury Department, which states:

> An order of the Securities and Exchange Commission as defined in section 373 (a) * * * must be issued under the authority of section 11 (b) or 11 (e) of the Public Utility Holding Company Act of 1935 to effectuate the provisions of section 11 (b) of such act.

In issuing the order herein, under the authority of section 11 (f) of the Holding Company Act, we applied the corporate simplification standards of section 11 (b) of the act in testing the plans before us, as stated in our opinion which accompanied the order. We expressly disapproved two of the Trustees' amended plans because we found that they violated our standards under section 11 (b). The plan which we approved and under which distributions are now being made, was found to be in conformity with such standards; and it was approved only because we found that it was necessary and appropriate to effectuate the provisions of section 11 (b) and fair and equitable to the persons affected thereby.

Although our orders for the integration and simplification of registered holding company systems are ordinarily entered under section 11 (b) or section 11 (e) of the act, these are not the only sections under which we may issue orders to achieve the results which section 11 (b) requires. Section 11 (d) of the act provides for resort to the courts to enforce compliance with section 11 (b) in default of an acceptable plan voluntarily proposed under section 11 (e). Section 11 (f) furnishes us the opportunity to apply the section 11 (b) standards where the registered holding company or subsidiary is involved in a Chapter X proceeding. We cannot regard the fact that the company's structure is so violative of the standards of section 11 (b) as to have resulted in bankruptcy proceedings as depriving the distributees of the tax benefits which it was intended they should receive in a reorganization which, but for insolvency, would have occurred under section 11 (e) or section 11 (d)

There is a further circumstance in this case which, in our opinion, provides an even stronger basis for Supplement R relief than would normally appear in a section 11 (f) proceeding. When this matter first came before us in 1944, we made a careful survey of PEPCO's assets and liabilities. We arrived at $22,273,646 as the fair value of its assets (apart from the law suits) as of December 31, 1942. Its funded debt amounted to $16,305,200 principal, plus $8,559,155 accrued interest. No interest had ever been paid on the bonds, which had been issued in 1935 under a prior section 77B reorganization. The present Chapter X proceeding was filed in 1939. At the time of our first opinion and order in 1944 it appeared that the company was insolvent in the strict bankruptcy sense. Because the initial plans were unsatisfactory and because pending litigation delayed the liquidation, we had occasion again to review the company's financial condition as of October 31, 1945. We then approved a valuation of the assets at $40,000,000 which was enough to satisfy the bonds and prior preference stock in full and to leave a substantial equity for the first preferred stock. PEPCO was no longer insolvent in the strict bankruptcy sense. In that situation the Trustees indicated a strong preference to reorganize rather than dissolve the company. If we had approved such a plan, the security holders of PEPCO would plainly have received under provisions of the Revenue Code other than Supplement R the same tax benefits which they now claim. But we were unwilling to approve a plan which did not provide for PEPCO's immediate dissolution, because its continued existence violated the standards of section 11 (b) of the Holding Company Act. Our insistence upon applying those standards to the case was therefore the immediate reason why PEPCO was dissolved instead of being reorganized. Under these circumstances we do not think that the PEPCO security holders should lose the tax benefits which they would have received if "reorganization" had followed the normal pattern, particularly in view of the fact that Supplement R seems to have been enacted to furnish relief in just such cases. We therefore conclude that the applicants are entitled to the order requested.

Our issuance of this order upon application of interested security holders, where the bankruptcy trustees have themselves failed to seek relief and in fact have obtained a Treasury ruling as to the tax status of the transaction, based upon the assumption that the Commission would not make the findings contemplated by Supplement R, is based upon the fact that the Holding Company

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[9] See United Telephone and Electric Company, 3 S. E. C. 653, 655 (1938); Northwest Cities Gas Co., 11 S. E. C. 510, 518 (1938).

[10] Only the PEPCO bondholders received any cash. They also received shares of PGE stock in partial satisfaction of their claims.

Act gives interested security holders a separate standing to be heard on matters relating to plans. Under our construction of the act such security holders are not bound by any position heretofore taken by the Chapter X trustees, particularly where such action has not been taken pursuant to court order or notice to security holders who might be affected thereby.

In accordance with the findings made in our opinion of January 14, 1946, as modified by our supplemental findings and opinion of December 10, 1946, and in furtherance of the jurisdiction which we reserved in our orders accompanying said opinions:

It is therefore ordered and recited, In conformity with the provisions of Supplement R to the Internal Revenue Code, as amended, and companion section 1808 (f) of said Code, that the following described transactions, provided for in the plan as approved, are necessary and appropriate to effectuate the provisions of section 11 (b) of the Public Utility Holding Company Act of 1935 and are required by the orders of the Commission heretofore entered in this proceeding:

(1) The distribution to the holders of the 6% Collateral Trust Bonds of 1934 of PEPCO, for each $1,000 Bond and accrued interest, the sum of $680 in cash and 34½ shares of Common Stock of Portland General Electric Company ("PGE")

(2) The distribution to the holders of the 6% Collateral Trust Bonds of 1937 of PEPCO, for each $1,000 Bond and accrued interest, the sum of $594.80 in cash and 30 shares of PGE Common Stock;

(3) The distribution to the holders of the Prior Preferred Stock of PEPCO, for each share thereof, 6⅓ shares of PGE Common Stock;

(4) The distribution to the holders of the First Preferred Stock of PEPCO, for each share thereof, ⅔ share of PGE Common Stock;

(5) The distribution of scrip certificates in lieu of fractional shares;

(6) The increase of the authorized Common Stock of PGE from 500,000 shares to 1,500,000 shares, all without par value, and the issuance by PGE to PEPCO of 998,966-58/60 shares of new Common Stock in exchange for PGE stock theretofore held by PEPCO;

(7) The payment by PGE to PEPCO of a cash dividend of $1,600,000 and the transfer by PGE to PEPCO of $93,000 of PEPCO 6% Collateral Trust Bonds of 1934;

(8) The payment by Cazadero Real Estate Company ("Cazadero") of $212,000 in cash to PEPCO in reduction of its indebtedness; the transfer by Cazadero to PEPCO of $54,600 principal amount of PEPCO's Bonds held by Cazadero and the reduction by PEPCO of Cazadero's indebtedness to it by the principal amount of the Bonds plus accrued interest thereon; the transfer to PEPCO of 25$^{39}/_{100}$ shares of Preferred Stock of PEPCO held by Cazadero for a consideration of $1,082.45; the transfer to PEPCO in further reduction of Cazadero's indebtedness to it of any remaining cash which Cazadero then had; the transfer to PGE by Cazadero of all remaining real and personal property and other assets which Cazadero then had, as a capital contribution from PEPCO; and the dissolution of Cazadero;

(9) The transfer by Little White Salmon Land Company of its assets, if any, to PGE as a capital contribution from PEPCO and the dissolution of Little White Salmon Land Company;

(10) The cancellation by PEPCO or its subsidiaries of all Bonds of PEPCO held by it or them; and the cancellation by PEPCO of its Second Preferred and Common Stock;

(11) The dissolution of PEPCO and its subsidiary companies, other than PGE.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 48-10831; Filed, Dec. 13, 1948; 8:46 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616, E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F.R. 11981.

[Vesting Order 12438]

GEORGE J. BICKEN

In re: Estate of George J. Bicken, deceased. File D-28-12452; E. T. sec. 16671.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Marie Merkle, whose last known address is Germany, is a resident of Germany and national of a designated enemy country (Germany)

2. That all right, title, interest and claim of any kind or character whatsoever of the person named in subparagraph 1 hereof in and to the Estate of George J. Bicken, deceased, is property payable or deliverable to, or claimed by, the aforesaid national of a designated enemy country (Germany)

3. That such property is in the process of administration by Ollie Schmidt, as administratrix, acting under the judicial supervision of the County Court of the State of Wisconsin, in and for the County of Milwaukee;

and it is hereby determined:

4. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 30, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 48-10861; Filed, Dec. 13, 1948; 8:51 a. m.]

[Vesting Order 12447]

MARGARET STROBEL

In re: Estate of Margaret Strobel, deceased. File No. D-28-9633; E. T. sec. 13364.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Walpurga Geisman, John Geisman, Andreas Geisman, Hans Volkert, Margaret Sieber, Hans Eichenmueller, and Jan Eichenmueller, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany),

2. That all right, title, interest and claim of any kind or character whatsoever of the persons named in subparagraph 1 hereof in and to the Estate of Margaret Strobel, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany)

3. That such property is in the process of administration by Edwin Spies, as executor, acting under the judicial supervision of the Probate Court of Hamilton County, Ohio;

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 30, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-10862; Filed, Dec. 13, 1948; 8:51 a. m.]